

**THE ROLE OF PURDUE PHARMA
AND THE SACKLER FAMILY
IN THE OPIOID EPIDEMIC**

HEARING
BEFORE THE
**COMMITTEE ON
OVERSIGHT AND REFORM**
HOUSE OF REPRESENTATIVES
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THE ROLE OF PURDUE PHARMA AND THE SACKLER FAMILY IN THE OPIOID EPIDEMIC

Thursday, December 17, 2020

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND REFORM,
Washington, D.C.

The committee met, pursuant to notice, at 9:07 a.m., via WebEx, Hon. Carolyn B. Maloney chairwoman of the committee] presiding.

Present: Representatives Maloney, Norton, Cooper, Connolly, Krishnamoorthi, Raskin, Khanna, Mfume, Wasserman Schultz, Sarbanes, Welch, Speier, Kelly, DeSaulnier, Plaskett, Gomez, Pressley, Tlaib, Porter, Comer, Jordan, Gosar, Hice, Grothman, Palmer, Higgins, Miller, Armstrong, and Keller.

ChairwomanMALONEY. The committee will come to order. Without objection, the chair is authorized to declare a recess of the committee at any time. I now recognize myself for an opening statement.

For too long, justice has been out of reach for millions of American families whose lives have been ravaged by our Nation's opioid epidemic. For decades now, parents and family members have watched with broken hearts as their loved ones struggled with opioid addiction.

Since 1999, nearly half a million lives have been cut short by opioid overdoses in the United States alone. These lives were taken from us too soon. They were taken unnecessarily and they were taken unfairly. For each life lost, there have been many other family members—aunts, siblings, children, and loved ones—left to pick up the pieces.

And right there in the middle of all this suffering was Purdue Pharma, the manufacturer of a highly addictive prescription painkiller, OxyContin. This company played a central role in fueling one of America's most devastating public health crises. Purdue has generated more than \$35 billion in revenue since bringing OxyContin to market.

Purdue has been owned by the Sackler family since 1952. The Sackler family has profited enormously from the OxyContin business. Since bringing this painkiller to market, the family has withdrawn more than \$10 billion from the company. Purdue has now admitted that after it got caught in 2007, after it pled guilty and paid a fine, it continued to commit crimes for another decade, like nothing happened.

Documents obtained by our committee by the Department of Justice and by state attorneys general say that members of the family were directly involved with the day-to-day operations of the company. And they launched an incredibly destructive, reckless campaign to flood our communities with dangerous opioids.

At the behest of the Sackler family, Purdue targeted high-volume prescribers to boost sales of OxyContin, ignored and worked around safeguards intended to reduce prescription opioid misuse, and promoted false narratives about their products to steer patients away from safer alternatives and deflect blame toward people struggling with addiction. And most despicably, Purdue and the Sacklers worked to deflect the blame for all that suffering away from themselves and on to the very people struggling with the OxyContin addiction.

Yet despite years of investigation and litigation, no member of the Sackler family has ever admitted to any wrongdoing, taken any responsibility for the devastation they caused, or even apologized for their actions. In their settlement with the Justice Department, Sackler family members admitted no liability.

I believe it was appropriate that Purdue pleaded guilty to criminal charges because that's what it was, a crime. It was a crime against the American people. And with all the evidence that the Sackler family was directly involved and produced criminal actions, they were pulling the strings in fact, they should not escape accountability for these criminal actions this time around.

Today, for the first time, two members of the Sackler family, David Sackler and Kathe Sackler, will be testifying publicly before the American people about their role in the opioid crisis. They held senior positions in the company and on the board of directors. As these documents shows, they placed their insatiable thirst for personal wealth over the lives of millions of American families they destroyed.

It is my hope that today's hearing will give the American people, including the scores of victims who have had their families shattered, an opportunity to hear directly from those responsible for these atrocities.

I do want to thank both members of the Sackler family appearing today for agreeing to testify voluntarily without the need for subpoenas. We will also hear from the CEO of Purdue.

I would like to note that this investigation was launched by my predecessor, Chairman Elijah Cummings. He cared deeply about this issue because he saw how Purdue and others intentionally targeted the most vulnerable among us. He worked very closely with another senior member of our committee, Congressman Mark DeSaulnier of California, who I now recognize for two minutes for his opening statement.

Mr. DESAULNIER. [Inaudible] work I also want to mention our former chair, our good friend, Elijah Cummings. Like myself, he was a survivor of cancer and he suffered. And he welcomed the appropriate use of painkiller. Unfortunately, he's not with us today, although in spirit I believe he is.

It's been said in the Bible, in Luke, that to those who much is given, much is required. The Sackler family has been given so much—great education, billions of dollars—a company with a solid

reputation at the time. And they've changed it with unbelievable marketing, and as the record shows, a willful belief in making more, making more.

There are a lot of Americans in this country who are in jail right now, most of them people of color, Black, like Derek Harris, a man who was sentenced to life in prison for selling \$30 worth of marijuana. He didn't have the kind of resources, he wasn't given, like so many other people in our prison system for selling small amounts of drugs.

And here is this family with this powerful, powerful platform. It's really sad. \$78.5 billion it costs Americans every year, according to the Centers for Disease Control. Ninety-one Americans on average lose their lives every day. And as the chair said, countless others suffer.

I'm so glad that we are looking into it. And it's my hope we will have real concrete measures to make sure this never happens again. And most importantly for me, I'm looking for justice, and I haven't seen it yet.

Thank you, Madam Chair, I yield back.

Chairwoman MALONEY. Thank you, sir, for your leadership.

I would now like to play video statements from individuals who have bravely come forward to share their personal experiences with addiction with the committee.

[Video shown.]

Chairwoman MALONEY. All of these stories are heartbreaking.

Before I recognize Ranking Member Comer, I would like to say that I know that this issue is just as important to him as it is to me. Our staffs have been working together on this investigation and on this hearing. And I want to thank him for helping us arrange today's hearing. We may not see eye to eye on every issue, but the opioid crisis has ravaged communities across the country and it does not discriminate based on red states or blue states.

Mr. Comer, thank you for your help with this hearing. I recognize you for as much time as you would like.

Mr. COMER. Thank you, Madam Chair.

The opioid epidemic has caused untold harm to millions of Americans. And in my district in rural Kentucky, thousands of our constituents have lost friends and loved ones to this scourge.

Before us today we have one of the largest manufacturers of opioids in the country and the family that profited off the epidemic perhaps more than any other.

Over the past 20 years, Purdue Pharma and the Sackler family, which has owned Purdue Pharma since the 1950's and had many family members in senior leadership and on the board of the company, have made billions from the proliferation of opioids. They have consistently spread lies in order to minimize the harmful effects of opioids and increased the number of Americans on their drug, OxyContin.

Purdue Pharma created false advertising documents to provide doctors and patients illustrating that time-released OxyContin was less addictive than other immediate-release alternatives. Furthermore, they sought out doctors who were more likely to prescribe opioids and encourage them to prescribe OxyContin because it was

safe. They did this because OxyContin quickly became a cash cow for the company.

In 2007, these lies resulted in Purdue Pharma pleading guilty to felony charges of misbranding OxyContin and paying more than \$600 million in criminal penalties. However, this did not stop Purdue's marketing campaign. It just sent it underground.

Purdue spent the next decade misleading the DEA, defrauding the United States, paying kickbacks to companies that would steer patients on to OxyContin, and exacerbating the opioid epidemic. All the while, the Sackler family profited immensely from the deaths of millions of Americans.

Since the 2007 settlement, more than 2,600 Federal and state lawsuits were brought against Purdue seeking restitution for the pain and suffering caused by Purdue and the Sackler family. During this time, the Sacklers began taking money out of the company, over \$10 billion worth. Known by Forbes Magazine as the OxyContin clan, the Sacklers are now one of the 15 wealthiest families in the country, even richer than the Rockefellers.

In September 2019, Purdue filed for Chapter 11 bankruptcy in an effort to settle these suits based on the company's role in the opioid crisis. In October of this year, Purdue again pled guilty to criminal charges related to its marketing of OxyContin, including conspiracy to defraud the United States in violations of the anti-kickback statute.

Additionally, Purdue reached a civil settlement with the DOJ of more than \$8.3 billion in civil penalties from Purdue, the dissolution of Purdue Pharma, and \$225 million in civil penalties from the Sackler family. However, October's settlement does not conclude the bankruptcy negotiations that are still ongoing. These negotiations could result in billions in restitution to American families.

Madam Chairwoman, I support this hearing, as you mentioned in your opening statement. However, I am concerned that holding this hearing in the midst of a multibillion dollar settlement negotiation will delay and reduce needed restitution for millions of Americans.

We talked with the mediator leading the negotiations, and no party thought having this hearing right now is a good idea. I told you this before the hearing was scheduled for the first time and I asked that you delay the hearing until January. You scheduled it anyway. Then after realizing the mistake, you canceled the hearing. And now the hearing's back on. And why? I hope it's not because of a New York Times op-ed pressuring you to move forward.

Madam chair, you can't be influenced by a single law professional. There's too much at risk. I hope that having these hearings—this hearing today does not delay a settlement and result in victims getting less restitution from Purdue and the Sackler family.

In this committee, we should do more than identify a problem and benefit from a short-term media mention. We should hold people accountable. I want to hold Purdue Pharma accountable. And I sure as hell don't want to do anything that would help the Sackler family in any court of law.

Madam Chair, I yield the remainder of my time, and I look forward to your response. Thank you.

Chairwoman MALONEY. [Inaudible] to Mrs. Miller. I now yield to Ms. Miller.

Mrs. MILLER. Thank you, Chairwoman Maloney and Ranking Member Comer.

Today's hearing is of the utmost importance to my state of West Virginia and to many other states across our Nation who are facing and have faced the devastating impacts of the opioid epidemic.

In 2018, there were over 46,000 opioid-related overdose deaths in the United States. In that same year, we lost over 700 West Virginians to opioid-related overdoses. I know these faces, the victims, their families. They're the person you're standing next to in the line at the grocery store. It's the person who's sitting next to you on the pew in church. They are your neighbors and your friends.

A single life lost to an addiction is one too many. And, unfortunately, my state has lost thousands of family members over the years to this disease.

Throughout the United States, we have seen this epidemic evolve into three stages. First, the individuals were prescribed and then abused their prescription opioids. The second way was heroin. And, of course, the third way is the synthetic—oh, gosh—Fentanyl out of China, Mexico, wherever.

The studies that show that those who began to use opioids in the 2000's, 75 percent of them started with prescription opioids. In a large part, this was due because of the actions of the company represented here today.

Purdue Pharma has recklessly and irresponsibly marketed OxyContin to increase the number of prescriptions to patients, which ultimately resulted in patients becoming addicted to this drug.

We've seen the shift to heroin and the other dangerous substances like Fentanyl, as prescription opioids became too expensive and too hard to find. These drugs often pose their own risks, and they are only found on the street. For example, in 2016, my hometown of Huntington experienced 28 overdoses in a single day as a result of a contaminated batch of heroin. Thanks to the heroic actions of our emergency responders, 27 of those 28 lives were saved.

As a result of this epidemic, families have been decimated, children are growing up without parents. And I can tell you about those babies that are being born exposed to drugs in the womb. For every 1,000 babies born in West Virginia, 66.2 are born exposed to opioids. I have sat with those mothers who have made the courageous decision to seek treatment, and I've held those babies struggling with symptoms of withdrawal. It is heartbreaking.

This epidemic is shaping generations across my state and many others. Ask the teachers in the school system, ask the principals, because they're trying so hard to teach these children who were drug exposed all through the pregnancy and at birth. The doctors didn't know what was in their system.

Since coming to Congress, I have made addressing the opioid epidemic a priority. I have supported our administration's work to increase access to naloxone, and provided much needed Federal dollars to our treatment centers to help the folks get the help that they need. I've also supported creative community-based solu-

tions that are the result of our local communities who are coming together and helping our neighbors in need.

While we've made great strides to address this terrible epidemic, we must also ensure to address the actions taken by Purdue Pharma in pushing OxyContin to patients. I hope that we get some of those answers today.

Thank you, Madam Chair, and I yield back the balance of my time.

Chairwoman MALONEY. The gentlelady yields back.

Now I will introduce our witnesses. Our first witness today is David Sackler, who was a member of the board of directors of Purdue Pharma from 2012 to 2018. Our next witness is Dr. Kathe Sackler, who was a vice president and member of the board of directors of Purdue Pharma from 1990 to 2018. Finally, we'll hear from Dr. Craig Landau, who is the current president and CEO of Purdue Pharma.

The witnesses will be unmuted so that we can swear them in. So, please unmute them.

Please raise your right-hand. Do you swear or affirm that the testimony that you're about to give is the truth, the whole truth, and nothing but the truth, so help me God.

Let the record show that the witnesses answered in the affirmative.

Without objection, your written testimonies and statements will be part of the record.

With that, Mr. Sackler, you are now recognized for your testimony.

STATEMENT OF DAVID SACKLER, FORMER MEMBER OF THE BOARD OF DIRECTORS, PURDUE PHARMA L.P.

Mr. DAVID SACKLER. Thank you.

Chairwoman Maloney, Ranking Member Comer, and members of the committee, I appreciate the invitation to appear before you. I'm here to give my views in response to the committee's questions.

I want to express my family's deep sadness about the opioid crisis. OxyContin is a medicine that Purdue intended to help people, and it has helped and continues to help millions of Americans. Far too many lives have been destroyed by addiction and abuse of opioids, including OxyContin.

There are many lawsuits that have blamed Purdue and my family for the opioid crisis. While we deny liability and are vigorously contesting these claims, we want to respond to the opioid crisis, because the prescription medicine that our company manufactured and sold, which was never intended to harm anyone, ended up being part of a crisis that has harmed too many people.

We are prepared to dedicate billions of dollars and relinquish our interest in Purdue to fund a settlement that will bring help to those who need it. We are currently engaged in a court-ordered, confidential mediation to forge a settlement that contemplates our contributing the entire company, along with billions of dollars, to abate and address opioid addiction and abuse.

I joined the Purdue board of directors in 2012 and served as the director until 2018. I joined the board because I was hopeful that Purdue's medicines could help people. Like the rest of Purdue's

board, I relied on Purdue's management to keep on top of the medical science and ensure the company was complying with all laws and regulations.

Some people seem to think that Purdue's board of directors included only members of the Sackler family, but the board also included outside directors who were highly credentialed and prominent professionals from beyond our family.

It was my family's intention, and I believe the whole board's goal, to create products that helped patients. OxyContin is an FDA-approved medication available only by prescription, and has been prescribed by doctors to relieve the suffering of millions of Americans.

Over the years OxyContin has been on the market, Purdue worked to reduce the risks of addiction and abuse in a number of ways. In the past 20 years, Purdue spent more than a billion dollars on anti-abuse and diversion initiatives. Purdue instituted what I understand was the first voluntary abuse and diversion detection program in 2002. This program was expanded and endorsed by various state governments who later required Purdue to keep the program in place. And I understand it was used as a model for at least one other pharmaceutical company to follow.

The board received regular reports from management, including from former DEA professionals and former Federal prosecutors, confirming that Purdue's abuse and diversion detection program was functioning well and as intended. That was also the conclusion of an outside auditor approved by the New York State Attorney General.

Purdue instituted a strict compliance program that was designed to ensure that Purdue in its marketing complied with all laws. The board received regular, detailed documented reports from management that Purdue was effectively implementing that compliance program and that the company was operating in compliance with law.

Purdue also developed the first abuse deterrent opioid, an OxyContin pill that could not be easily crushed, snorted, or dissolved into water and injected.

When thinking about the opioid crisis, I believe it is necessary to keep in mind two medical problems. On the one hand, many Americans suffer from terrible pain and need pain relief. On the other hand, medications like opioids that treat this pain have a potential for abuse and addiction.

The FDA and the medical establishment have always had to balance these medical problems. Prescription opioids are used successfully to treat millions of Americans every year.

Let me conclude by saying this: What you've heard from the press about the Sacklers is almost certainly wrong and highly distorted. We also fully acknowledge that there is an opioid crisis that has ruined too many lives and that OxyContin addiction and abuse played a role in that. We are truly sorry to everyone who has lost a family member or suffered from the scourge of addiction.

Thank you for giving me the opportunity to make this statement. I'm available to answer your questions.

Chairwoman MALONEY. Kathe Sackler. Kathe Sackler? Kathe Sackler, you're now recognized.

STATEMENT OF DR. KATHE SACKLER, FORMER VICE PRESIDENT AND MEMBER OF THE BOARD OF DIRECTORS, PURDUE PHARMA L.P.

Dr. KATHE SACKLER. Thank you, Chairwoman. I was unmuting. Chairwoman MALONEY. We can hear you.

Dr. KATHE SACKLER. I just said thank you. I was just unmuting my microphone.

Chairwoman MALONEY. You are now recognized.

Dr. KATHE SACKLER. Thank you.

Chairwoman Maloney, Ranking Member Comer, members of the committee, thank you for inviting me to the hearing today. I appreciate your invitation and the opportunity to appear voluntarily and answer the committee's questions to the best of my knowledge and recollection.

While I'm here to be responsive to the committee, I want to start by speaking to the families who have lost loved ones to addiction and overdose. I know the loss of any family member or loved one is terribly painful. And nothing is more tragic than the loss of a child. As a mother, my heart breaks for those parents who have lost their children. I am so terribly sorry for your pain and loss.

While every family tragedy is unique, I do know how deeply it hurts. I lost my brother, Robert, to mental illness and suicide when he was only 23 years old. I've learned from my own experience that our loved ones are not to blame for their mental illness or addiction. They deserve compassion and access to effective treatment and support, not stigma.

Under the difficult circumstances of the pandemic, when resources are increasingly constrained, people are still struggling with addiction and patients are still struggling with serious pain. That is why I and my family are even more intent on achieving the kind of solution that will provide meaningful resources to these individuals and these families and these communities who have suffered so.

When I served on the board of Purdue, I acted honestly, conscientiously, and in good faith. I took my fiduciary responsibilities to heart and followed my conscience.

My focus mostly was on the needs of patients and doctors. It distresses me greatly and angers me greatly that the medication that was developed to help people and relieve severe pain has become associated with so much human suffering.

Thank you.

Chairwoman MALONEY. Thank you. [Inaudible] you're now recognized. Unmute.

STATEMENT OF CRAIG LANDAU, PRESIDENT AND CEO, PURDUE PHARMA L.P.

Dr. LANDAU. Chairwoman Maloney, Ranking Member Comer, distinguished members of the committee, thank you for the opportunity to be here today. My name is Craig Landau, and since June 2017, I've been the president and CEO of Purdue Pharma.

I'd like to start by recognizing and thanking the individuals who've shared their stories, their stories of loss and their stories of addiction. They're heartbreaking, and I have no words. I can't imagine the pain.

I'm an anesthesiologist, and before pursuing a path in clinical research in the pharmaceutical industry, I practiced medicine and I treated patients in both a private practice and academic settings. I also served as a physician in the United States Army Reserves Medical Corps for more than 14 years. My last appointment in 2004 was part of Operation Enduring Freedom, where I provided support to our troops serving in both Iraq and Afghanistan.

Treating patients, including wounded servicemembers, left an indelible mark on me. I've seen with my own eyes the positive impact we can have on the lives and well-being of patients when pain and suffering are eased.

Medicines, including opioids, are often effective as part of a multidisciplinary approach to treating pain that can also involve other nonpharmacologic treatments as well as other interventions. But in every case, proper training and experience on the part of the treating physician are essential for good decisionmaking and patient care.

But as with any medical condition, the benefits and risks associated with treating pain must be carefully considered. One very important risk associated with the use of opioids is addiction. I've listened to individuals in recovery describe their struggle with addiction.

In meetings both public and private I've heard heartbreaking stories, like we heard today, from grieving parents whose children died from an opioid overdose. As a father and as a human being, I can't imagine the despair, the emptiness, and the anger these parents must feel every single day of their lives.

Each and every instance of addiction, of overdose and death is a human tragedy for the individual, for their families, and for all of us as a society. And with this in mind, I'd like to address those who've been directly affected by the opioid crisis.

As stated earlier, on November 24, Purdue pled guilty to three felonies in Federal district court based on certain past practices related to its opioid medicines.

To everyone listening who's been impacted by the opioid crisis, I want to be clear and I want to speak directly to you. On behalf of Purdue as its current leader, I'm profoundly sorry.

In trying to strike a careful balance between supporting physicians who treat patients with pain and mitigating the serious risks associated with the opioid medications, Purdue fell short. The company accepts full responsibility for its wrongdoing. And as Purdue's leader, I'm determined to lead all of our efforts to help address the opioid crisis as quickly and effectively as I can.

We're charting a new course. The company changed leadership by bringing me in as CEO. I've made numerous changes to the leadership and management team of the company and also to our strategies. Perhaps most notably, almost three years ago, I ended the promotion of all of Purdue's opioid products by sales representatives. The company's also brought in a new independent chairman of the board, as well as other very highly qualified directors. It's been almost two years since a member of the Sackler family has served on the board of directors.

And last fall, we announced a plan to dedicate 100 percent of Purdue's assets and resources and capabilities and know-how to

the American people in the form of a public benefit company. And I hope we can discuss the details and the merits of that plan today.

Under that plan, Purdue as we know it would cease to exist, and the Sackler family would have no role in the design, the governance, or the decisionmaking of the new company. The new company would provide millions of doses of medicines, both to treat addiction and also to reverse opioid overdoses, for free or at low cost. Simply put, this plan and these medicines will save lives.

Our top priority must be to deliver maximum resources as quickly as possible to those who need them, period. The proposed resolution does that, and I'm committed to seeing it through. So, I appreciate your invitation to voluntarily appear here today. I believe accountability and this very process are absolutely essential to support progress. I look forward to answering your questions. Thank you very much.

Chairwoman MALONEY. Thank you.

And I now recognize myself for five minutes.

I want to focus on one event that I believe was a real turning point in this story, and that is Purdue's settlement with the Department of Justice in 2007. From 1997 to 2007, the Sackler family withdrew a total of about \$126 million from the Purdue company. But then in 2007, Purdue reached a settlement with the Justice Department over criminal charges and pleaded guilty and paid a \$600 million fine.

Now, normally, when a company is forced to plead guilty to criminal charges, its owners and executive feel a sense of shame and they commit to cleaning up their act. But not the Sackler family. Instead, they doubled down, they continued their practices, and they took the 2007 settlement as a signal that they should withdraw even more money from Purdue in order to get out—as much money out as possible, as quickly as possible, and all so that they could prevent the money from going to the victims, the sufferers from the opioid crisis.

According to documents filed in litigation starting in 2008, right after the 2007 settlement, Purdue distributed more than \$10 billion to the Sackler family and the companies that they control. That's almost 80 times what the family had received before 2007.

In 2008, Richard Sackler wrote a memo to members of the family, including the two Sacklers here today, when he proposed that the company needed to, quote, distribute more free cash-flow to the Sackler family.

So, Mr. Sackler, when you received that email from your father in 2008, did you know that attorneys general were investigating Purdue's conduct and that settlements or judgments would be coming? And individuals were suing too, thousands, numerous states. Did you know?

Mr. DAVID SACKLER. Madam Chairwoman, I believe based on the record that—

Chairwoman MALONEY. [Inaudible.]

Mr. DAVID SACKLER. Madam Chairwoman, if you'll permit me. I don't know what email you're referring to. But the answer to your question is, no, I don't believe I—I knew that—and I don't believe anyone knew that lawsuits that really began in earnest in 2017 would be coming back in 2008.

I'm sorry, ma'am, you're muted.

Chairwoman MALONEY. We're going to briefly—excuse me, we're having technical issues. We're going to take care of these technical issues. I can't hear you and see you and we're trying to correct it. We'll briefly recess.

[Recess.]

Chairwoman MALONEY. My apologies for the technical problems. Resuming our conversation, Mr. Sackler.

When you received that email from your father in 2008, did you know that state attorneys general across the country were investigating Purdue's conduct and that additional settlements or judgments would be coming? Mr. Sackler.

Mr. DAVID SACKLER. Based on my recollection of the time period, no. Purdue at that point had settled with most or a large percentage of the attorneys general, as well as public—public—I—excuse me, private injury plaintiffs. Management made repeated presentations to the board of directors after that point that the—

Chairwoman MALONEY. Thank you for your answer. My time is limited. And I think that it is clear that you did know that settlements and judgments were coming and you were trying to siphon off as much money as possible before that happened, and I can prove it.

Mr. Sackler, in May 2007, one week after Purdue's settlement with DOJ on charges of misbranding and agreed to pay \$600 million in fines, you sent an email to other family members and said, quote, we're rich? For how long? Until which suits get through to the families, end quote.

So, let's cut to the chase. Were you trying to cash out profits so that opioid victims couldn't claim them in future lawsuits?

Mr. DAVID SACKLER. No. I don't believe that that's what I meant then and I don't believe that's how I've acted since then. The suits that I was referring to—

Chairwoman MALONEY. Mr. Sackler, may I ask, why did you increase the amount of money you were withdrawing from Purdue so substantially in 2008, \$126 million before 2007, in 2008 \$10 billion?

Mr. DAVID SACKLER. Ma'am, I believe you're mistaken on the record. The distribution in 2008 was nowhere close to \$10 billion.

Chairwoman MALONEY. Over \$10 billion, over \$10 billion. Over \$10 billion over 10 years.

If you won't admit that much, then let's go to the next email. In September 2014, another family member, Mortimer Sackler, emailed your uncle Jonathan stating that Purdue was in, quote, a death spiral. Jonathan Sackler then responded with, we've taken a fantastic amount of money out of the company, end quote.

Mr. Sackler, do you agree that the billions of dollars that Purdue transferred to your family and the companies that your family controls after 2008 left less money for future plaintiffs or creditors? Yes or no?

Mr. DAVID SACKLER. Ma'am, I think you've mischaracterized that email, it's my belief. And I believe the distribution—

Chairwoman MALONEY. Reclaiming my time. Reclaiming my time. I think the emails speak for themselves. It's a simple ques-

tion. Did the money that you and your family withdrew from Purdue leave less money for future plaintiffs in suits over OxyContin?

And I'd like to find out more about where the money you withdrew from Purdue went and where it is today. The New York Attorneys General, Letitia James' office, found that your cousin Mortimer Sackler received several transfers that came through offshore shell companies and were routed through Swiss bank accounts. In 2009 alone, he received \$64 million in wire transfers through an offshore shell company based in Guernsey in the Channel Islands near France.

Mr. Sackler, how many shell companies do you and your family control?

Mr. DAVID SACKLER. Ma'am, I cannot speak for our entire family, but I—based on what I know of the transfers that you're referring to, I believe Mortimer has stated or would state if he were here, that those were all appropriate, documented, and disclosed.

Chairwoman MALONEY. Well, in this case, the question was, how many shell companies do you and your family control? If you don't know the answer, can you commit to getting that information to the committee?

Mr. DAVID SACKLER. Well, I—I—that's really a question for the lawyers. We're involved in a confidential mediation. I believe the families—

Chairwoman MALONEY. Then let the lawyers get back to the committee with the answer.

How much of your family's wealth is currently in foreign bank accounts?

Mr. DAVID SACKLER. Of our family's wealth? I don't believe—a very small amount, if any.

Chairwoman MALONEY. OK. Then get your lawyers to get the information back to the committee so we know about that.

I think it's fair that your family has tried to fraudulently shield money for your own personal benefit. I think it's appalling. Those profits, in my opinion, should be clawed back. You and your family should compensate the American public for the harm that you've caused, and you should be held fully accountable for your actions.

But now I'd like to turn to Dr. Landau next. Just last month in your settlement with the Justice Department, your company pleaded guilty to conspiracy to defraud the U.S. Government, misbranding of OxyContin, and illegal kickbacks. You pleaded guilty to criminal charges.

Who committed these crimes? Which individuals at Purdue committed those crimes? Mr. Landau.

Dr. LANDAU. Thank you for the question, Chairperson Maloney. You're correct, the company pled guilty in U.S.—U.S. district court to three felonies for specific crimes it committed during a specific period. And we're taking full accountability and responsibility for those crimes.

We have over \$8 billion of fines and penalties issued to us. We have a commitment for ongoing cooperation with the Department of Justice and a commitment to create a public repository for all documents deemed relevant so that the American people can see for themselves what did or did not occur.

Chairwoman MALONEY. Thank you. But that's not the question I asked. I asked, who committed the crimes? We know that there were crimes. Who committed them? All kinds of crimes. And I'm sorry, you're the CEO of the company and you've pleaded guilty to crimes, and you're now telling me by not answering the question that you don't know who actually committed those crimes. If you don't know who committed those crimes, then you can't be sure that they're no longer working for Purdue.

Will you at least commit to getting the names of the people who committed these crimes to the committee, after you talk to your lawyers? Crimes were committed, who did them? Who were the ones that bribed doctors and pharmacies? Who were the ones that conspired to defraud the U.S. Government? Who were the ones that misbranded OxyContin and said it was safe when it's not, that it can kill people, as we've heard from our witnesses? So, if you could talk to your lawyers and get that information.

So, to sum it up, the Sackler family made billions of dollars by fueling an opioid crisis, over \$35 billion, that has claimed the lives of thousands and thousands of Americans and has caused an enormous amount of pain for families across the country.

In light of all of this, Mr. Sackler and Dr. Sackler, I'd like to ask you one final question, and I'd like to begin with you, Dr. Sackler. Will you apologize to the American people for the role you played in the opioid crisis? Dr. Sackler.

Dr. KATHE SACKLER. I would be happy to apologize to the American people for all of the pain they have suffered and for the tragedies that they've experienced in their families and—and I thought I did that earlier in my opening comments. That was my intention.

I also am very angry. I'm angry that some people working at Purdue broke the law. I'm angry about it from 2007, and I'm angry about it now again in 2020. It's—it's—I think that—

Chairwoman MALONEY. I know you're angry. And I'm sorry, but that's not the apology we were looking for. You've apologized for the pain people have suffered, but you've never apologized for the role that you played in the opioid crisis.

So, I'll ask you again, will you apologize for the role you played in the opioid crisis?

Dr. KATHE SACKLER. I have struggled with that question. I have asked myself over many years. I have tried to figure out, was—is there anything that I could have done differently, knowing what I knew then, not what I know now. And I have to say, I can't—there's nothing that I can find that I would have done differently, based on what I believed and understood then and what I learned from management in the reports to the board and what I learned from my colleagues on the board. And it is extremely distressing. And it's—

Chairwoman MALONEY. Mr. Sackler, will you apologize for the role that you played in the opioid crisis?

Mr. DAVID SACKLER. I echo much of what my cousin said. But I will say to the American people, I am deeply and profoundly sorry that OxyContin has played a role in any addiction and death.

I believe I conducted myself legally and ethically, and I believe the full record will demonstrate that. I still feel absolutely terrible

that a product created to help, that has helped so many people, has also been associated with death and addiction.

Chairwoman MALONEY. Well, I know I've gone way over my time, so I want to give the same amount of time, if not more, to Ranking Member Comer, but he wants to go last. So, I will now recognize the gentleman from Georgia, Mr. Hice.

Mr. Hice, you are now recognized for questions. Mr. Hice.

We seem to have technical problems. Mr. Glenn Grothman, I now recognize you.

Mr. GROTHMAN. There, can you hear me?

Chairwoman MALONEY. Yes, we can.

Mr. GROTHMAN. I'll start off with Dr. Landau. What kind of marketing strategies did Purdue utilize to increase sales of OxyContin?

Dr. LANDAU. Sorry, I was on mute.

Representative, for the period up to becoming CEO in 2017, I was responsible for research and development, clinical development, developing new medicines. I wasn't responsible for setting up marketing and had no underlying expertise. Sorry, I—

Mr. GROTHMAN. [Inaudible] sales representatives or promoting. OK. We are told here that people were getting up to 240 grand, the sales reps, to encourage more prescribing of OxyContin. Is that accurate?

Dr. LANDAU. I—I don't know that I could answer the question because that wasn't my area of responsibility. I apologize.

Mr. GROTHMAN. OK. Does David know the answer to that question?

Mr. DAVID SACKLER. Sorry. Is that directed toward me—

Mr. GROTHMAN. Yes, yes.

Mr. DAVID SACKLER.—Congressman?

I'm sorry, I don't know the answer to that question.

Mr. GROTHMAN. Good grief.

Do you know what time Purdue learned of the highly addictive nature of OxyContin?

Mr. DAVID SACKLER. I'm sorry, I'm not sure I heard you correctly. Can you repeat?

Mr. GROTHMAN. What time did Purdue—what year about did you learn that OxyContin was highly addictive?

Mr. DAVID SACKLER. I think the highly addictive nature or the addictive nature of opioids is something we've known—doctors and patients and Purdue has known since the beginning of the use of opioids millennia ago.

Mr. GROTHMAN. OK. Could you tell us the increased number of OxyContin, say, prescribed between, say, 19—when was it first marketed, OxyContin?

Mr. DAVID SACKLER. It was approved in 1995, but most people I believe would draw the launch as 1996.

Mr. GROTHMAN. OK. Was there an increase in the amount of OxyContin prescribed between, say, the year 2000 and 2010?

Mr. DAVID SACKLER. No. In aggregate, OxyContin prescriptions, I believe, peaked in 2003. So, if you're picking 2000 to 2010—I'm doing this off the top of my head—I believe prescriptions would've been down over that period.

Mr. GROTHMAN. Why don't I say from 2000 to 2003; was there a significant increase?

Mr. DAVID SACKLER. I'm not sure how significant the increase was. I don't have the numbers in front of me.

Mr. GROTHMAN. OK.

Could you tell us approximately the amount of OxyContin, say, in the peak years, the early 2000's, the amount of OxyContin prescribed per capita in the United States compared to, say, Europe or Canada?

Mr. DAVID SACKLER. Well, I'm not sure that I can do that because I don't recall the years OxyContin was approved in those various markets. So, I'm not sure I can draw that comparison.

Mr. GROTHMAN. Let me put it this way. Was it significantly more prescribed in the United States than other Western countries?

Mr. DAVID SACKLER. You know, I don't know the answer to that. I mean, Purdue versus the other Western countries—Purdue introduced OxyContin. Other countries introduced it later but also other opioids. So, it's not an easy comparison.

I believe the answer that you're looking for is that, yes, the United States as a whole is the largest consumer of opioids writ large in the world.

Mr. GROTHMAN. OK. Did that ever hit you as unusual or, kind of, alarms should be going off, why so many more opioids were prescribed in the United States than other countries?

Mr. DAVID SACKLER. Well, it struck us, definitely, that there was a discrepancy. However, I think it's worth keeping in mind, OxyContin was a very small percentage of U.S. prescriptions and is designed for a very small subset of patients. So, while the United States leads the world in opioid prescribing, most, the overwhelming majority, of that is immediate-release opioids. OxyContin represented just a tiny fraction.

Mr. GROTHMAN. Do you know how many people were dying, say, of opioid overdoses in this country in the early 2000's?

Mr. DAVID SACKLER. I don't know that data. I know the current numbers.

Mr. GROTHMAN. Tens of thousands, right?

Mr. DAVID SACKLER. I believe that's correct.

Mr. GROTHMAN. OK. Do you feel any guilt for that?

I mean, I'll put it this way. Even 15 years ago, I think people were—there was anecdotal evidence out there, just average persons talking to each other, they were amazed the amount of opioids being prescribed by healthcare professionals. OK? Were you aware of that, or did you hear stories about that?

Mr. DAVID SACKLER. Well, we became aware of OxyContin—if you're asking about OxyContin in specific, we became aware of widespread abuse of OxyContin in, I believe, 2000–2001 time period, as it became reported upon in the press.

Mr. GROTHMAN. OK.

Obviously, we got a lot of briefing here for this today, and a lot of it seems to focus on the massive amount of money that Purdue made selling OxyContin. Do you know—could you guess how much—I think there's a high markup on pharmaceuticals. Can you guess how much money Purdue made, or your family made, selling OxyContin?

Mr. DAVID SACKLER. I don't know the exact number, so I wouldn't hazard a guess. I do know the distributions—

Mr. GROTHMAN. Guess wildly.

Mr. DAVID SACKLER. I would guess, Purdue—well, what do you mean by “made,” profit or revenue?

Mr. GROTHMAN. Well, we’ll say both. Look at both.

Mr. DAVID SACKLER. OK. My guess is Purdue’s revenue, what I’ve seen reported, is around \$30 billion of revenue. And my guess for profit is probably somewhere in the neighborhood of, before taxes, probably about half of that.

Mr. GROTHMAN. OK. So, maybe, after taxes, probably over \$10 billion.

Mr. DAVID SACKLER. No. I’m sorry, sir. The taxes are significantly higher. It’s not a corporate—it’s not a corporation.

Mr. GROTHMAN. OK. I mean—well, you said profit being about 15. OK. Can’t be significantly higher, maybe a little bit less than that. OK.

You say you’re sorry for what happened. And, obviously, thousands of people have died, tens of thousands of people have died, I think, because of the overselling or overmarketing of OxyContin.

It’s become kind of a trendy thing among the billionaires of the country, at least among a few of them, to say that they’re going to give back even all of their wealth by the time they die.

Does your family—have they considered giving back significant segments of this, whatever it is, \$12 billion or \$13 billion, to charity of some nature?

Do you feel these gains were ill-gotten? I guess I’ll put it that way.

Mr. DAVID SACKLER. Well, if you’ll permit me, I’d like to answer your first question, because I think it’s important to gain an understanding of the settlement process that’s ongoing. And it’s our belief that the settlement that the family has proposed represents more than the family ever received during the sale of OxyContin.

So, I think, in our opinion, sir, the answer is, yes, we are in settlement negotiations to hopefully conclude at doing what you’re suggesting.

Mr. GROTHMAN. What percentage of sales was OxyContin for Purdue Pharma, say, at the high-water mark, say, in the year 2000? What percent of—

Chairwoman MALONEY. The gentleman’s time has expired, but the gentleman, Mr. Sackler, may answer the question.

Mr. DAVID SACKLER. It was quite a large percentage. I believe around 90 percent.

Mr. GROTHMAN. Wow. Very interesting.

Thank you for giving me some extra time, Madam Chairman.

Chairwoman MALONEY. Thank you for your questions.

The gentlewoman from the District of Columbia, Representative Norton, is recognized.

Representative Norton?

Ms. NORTON. I thank you, Madam Chair. I appreciate very much this hearing. You’ve delayed it in order to make it as fair as possible.

And I certainly appreciate the members of the family who are here. And I really want to focus on other families. I want to focus on the families who have been victimized by OxyContin.

Mr. Sackler, for the last 20 years, if we look back, we find almost half a million Americans have lost their lives from opioid overdoses. And, of course, your family has expressed empathy for them.

I have an exchange from a 2001 email obtained by the Connecticut attorney general, who was an acquaintance of your father's, who wrote—rather, an acquaintance of your father's wrote to your father—and here I'm quoting—“If abusers die, well, that is the choice they made. I doubt a single one didn't know the risk.” Mr. Sackler, your father responded, “Abusers aren't victims. They are the victimizers,” end quote.

Now, does your family still believe that people with addiction are victimizers?

Mr. DAVID SACKLER. No, not in any way. I know my father has apologized for that comment and comments like it in the past. And I know, in the 20 years since that email—roughly 20 years since that email was written, I believe his views on abuse and addiction have changed significantly.

Ms. NORTON. I very much appreciate that correction of his views then.

The chair—the chair—sorry, somebody needs to mute in here.

The chair indicated in her remarks earlier that we had received letters from dozens of people all over the country. And I'd really like to focus on these people.

For example, we began this hearing, appropriately, with video from people who had, in fact, been victims of the opioid crisis.

We have a letter from a mother in North Carolina whose child—who lost her child, 20 years old, and hasn't recovered yet. She said, “The pain is too intense. It's more than I can bear. I have trouble finding the will to live and carrying on every single day.”

The committee has another letter from a man in Colorado whose brother first took OxyContin when he was simply getting his teeth removed. He said, “It didn't take long to discover he could get it anywhere. He'd get it in a bar. It was just not hard to get.” The man's brother died. He said he had been very quiet about it but it isn't easy to stay quiet any longer.

This person created a map for families to share their stories of loved ones grappling with addiction, and more than 2,500 stories have been posted on his map. People come to that map to post their stories.

Mr. Sackler, I'd like your personal response to the—I wanted to lay out these stories we've been receiving, and I'd like your personal response to these stories. Do they indicate to you that you feel remorse? How would you respond to them in your own words?

I can't hear. He's muted.

Mr. DAVID SACKLER. I'm sorry.

I feel tremendous empathy, sorrow, and remorse that a product like OxyContin that was produced to help people and, I believe, has helped millions of people has also been associated with stories like you're telling. I feel incredibly sorry for that. And I know our entire family does as well.

Ms. NORTON. Madam Chair, I thought it was important to let these families speak for themselves and to hear from the Sackler

family, Mr. Sackler in this case, a personal apology going to individual families. And I thank you and yield back.

Chairwoman MALONEY. The gentlelady yields back.

Mr. Armstrong, you are now recognized for questions.

Mr. Kelly Armstrong?

Mr. ARMSTRONG. Thank you. Thank you, Madam Chair.

2007, Department of Justice concluded a prosecution on Purdue Pharma. Pled guilty to five years' probation, \$634.5 million in fines.

Mr. Sackler, approximately, in 2007, what was the sale—what was the number of sales for OxyContin?

Mr. DAVID SACKLER. I don't remember the exact—

Mr. ARMSTRONG. It's about a billion bucks.

Do you know what happened to the sales of OxyContin after you pled guilty in Federal court?

Mr. DAVID SACKLER. I believe—

Mr. ARMSTRONG. 2008, \$2.2 billion; 2009, just under \$3 billion; 2010, over \$3 billion; 2011, under \$3 billion; 2012, about \$2.7 billion; 2013, \$2.6 billion; 2014, \$2.4 billion.

Ms. Sackler, you wanted to ask what you could've done differently? Look at your own damn balance sheet.

The day after you pled—the year after you pled guilty, you say you didn't know what was going on—you knew what had happened.

And pursuant to a bankruptcy audit, from 1995 to 2007, you withdrew \$1.3 billion from Purdue Pharma. You just testified that about 90 percent of your profit out of Purdue Pharma was from OxyContin.

Do you know the number you withdrew from 2008 to 2018, Mr. Sackler, as a family?

Mr. DAVID SACKLER. I believe it's approximately \$10 billion.

Mr. ARMSTRONG. It's about \$10.7 billion. Ninety percent of that was related to OxyContin?

Mr. DAVID SACKLER. I believe that's approximately right. And, of that money, about half was paid in taxes.

Mr. ARMSTRONG. Fantastic. Thank you for that. We appreciate—as people who fund the government, from a taxpayer, we really do appreciate that.

So, my question is, do you have cable?

Mr. DAVID SACKLER. I do have cable, yes.

Mr. ARMSTRONG. Do you get newspapers?

Mr. DAVID SACKLER. No, I don't receive subscriptions to newspapers. I see—I get my news online.

Mr. ARMSTRONG. I was practicing criminal defense at the time all this was going on, and I don't—I wish we could have every one of these companies in here at every different way. But I think it goes beyond the pale of believability to think that, after settling with the Federal Government in 2007, you can honestly say, watching the sales of your own company's drugs, that you didn't know a problem was coming down the pipe. And to say that just defies believability and is absolutely abhorrent and appalling to the victims of opioid addiction.

We have gone through this; we've watched this happen. We've watched it happen in our communities. We've watched it happen

from one end to the other. And I have no doubt in my mind that there were people within your company doing things differently. But I also have no doubt in my mind, just by looking at your own balance sheets, that you think claiming plausible deniability to any of this makes any sense whatsoever.

And the last thing I would just say before I yield back is that, as we continue to move through this and as we continue to do this, you know who benefits the best from these remote hearings? The witnesses. Because we don't get the coverage we should, and we don't get the way this should be.

And I agree we're in the middle of a pandemic, and I agree these things are difficult. But when we have technical difficulties, these are the exact kind of hearings that the American people need to hear about. Congress's opinion is at an all-time low, and rightfully so, in my opinion, but we actually serve a very important purpose, and one of it is to hold people accountable.

If one of my clients were to sell—sold five pills of OxyContin on the street and got tied up in Federal court, you know what their criminal penalty is? It's a 10-year minimum mandatory sentence in Federal court.

And, in these opening statements, we get—vigorously defend about everything, we defend any wrongdoing. But you all have pled guilty four times in Federal court, once in 2007 and three times in 2020. And at least acknowledging that, either in your testimony or opening statement, would've been, I think, relevant, important, and probably given you more credibility with me and the rest of the committee.

And, with that, I yield back.

Chairwoman MALONEY. The gentleman yields back.

I now recognize the gentleman from Tennessee, Mr. Cooper. You are now recognized, Mr. Cooper.

Mr. Cooper?

I can't hear you. Can you unmute, Mr. Cooper?

Mr. COOPER. Can you hear me?

Chairwoman MALONEY. Now we can hear.

Mr. COOPER. Thank you, Madam Chair.

Mr. Sackler, I'd like to ask you some questions about you and your family's involvement in the management of Purdue on the board of directors. According to the DOJ, Department of Justice, they said the named Sacklers, as members of the Purdue board, exercised substantial oversight over Purdue management.

Mr. Sackler, isn't it correct that up until 2018 the Sackler family always had a majority of the board seats at Purdue?

Mr. DAVID SACKLER. I believe that's true, yes.

Mr. COOPER. So you, as a family, made decisions about all aspects of Purdue—marketing, budgets, financial distributions—didn't you, as a family?

Mr. DAVID SACKLER. With the help of qualified outside directors and management.

Mr. COOPER. But you had the board seats, the votes to do it.

And you served on the board, I understand it, from 2012 to 2018. So, you personally exercised substantial influence over the board.

Mr. DAVID SACKLER. There was a large board, and there were a large number of directors and a split board structure, so I don't—

I don't know what you mean by me personally influencing things. I don't think I would agree with that.

Mr. COOPER. I think Upton Sinclair once wrote that a man has difficulty understanding something if his salary depends on his not understanding.

Let's move on to Dr. Landau.

Dr. Landau, according to documents obtained by the Massachusetts attorney general in 2017, you wrote that Purdue operated with, quote, "the board of directors serving as the de facto CEO." Is that correct, Dr. Landau?

Dr. LANDAU. Representative, my comment regarding the board acting as de facto CEO was a consequence of the Sacklers owning many pharmaceutical companies around the world and the absence of an appointed global position to look out over all of them. So, by default, the governance body was the board of directors for each of the companies, including but not limited to the U.S.

Mr. COOPER. It is the same Sackler family that is refusing to admit personal liability and culpability here. The company has pled guilty, as I understand it, but not the individual members of the Sackler family.

Dr. Landau, with outside consultants like McKinsey, it's my impression that they wrote as far back as 2008, "In the U.S., the board of Purdue Pharma is involved in all levels of decisionmaking in the company on a weekly basis."

Another McKinsey consultant wrote, quote, "The brothers"—the Sackler brothers—"who started the company, viewed all employees like the guys who trim the hedges. Employees should do exactly what's asked of them and not say too much."

This consultant further noted that Purdue—said, "As a manager, you get rewarded for pandering to the board."

Mr. Sackler, does that ring true with you?

Mr. DAVID SACKLER. No, it does not.

Mr. COOPER. It's apparently referring to your father and his brothers.

Mr. DAVID SACKLER. My father only had one brother, who's deceased. If you're referring to my grandfather, I can—my belief is he would've been horribly offended by that comment and viewed people who worked for him as valuable, imbued with a great deal of autonomy.

And knowing the people within the organization, I don't think they would agree with that either, like Mr. Landau.

Mr. COOPER. So, you paid McKinsey's fine hefty fees for them not telling the truth?

Mr. DAVID SACKLER. Well, I wasn't a part of that McKinsey engagement. That was done by management. And McKinsey can express whatever opinion they want; that doesn't necessarily make it the truth.

Mr. COOPER. Watching this hearing has been difficult, first hearing the testimony of the victims of your drugs.

And I know that we all are looking for a good solution to pain relief, but folks like Anna Lembke, L-e-m-b-k-e, an addiction specialist at Stanford University, wrote a book way back in 2016 called "The Drug Dealer M.D." that pointed out a lot of the issues that we're dealing with in the hearing today.

Do you know if any members of the board of directors read Dr. Anna Lembke's book or were aware of that book?

Mr. DAVID SACKLER. I don't know if any members of the board of directors read a specific book, no.

Mr. COOPER. Have you read it?

Mr. DAVID SACKLER. I have not read it.

Mr. COOPER. I used to teach health policy at Vanderbilt Business School, and I required all of my students to read it. So, perhaps the students at Vanderbilt were ahead of the board of directors at Purdue.

Because, again, if you're not interested in discovering the truth and if your salary depends on your not understanding the truth, then you're not going to pursue the truth.

Chairwoman MALONEY. The gentleman's time has expired. The gentleman may answer his question.

Mr. DAVID SACKLER. I was—I'm sorry, I didn't take that as a question. Can you rephrase it, please, Congressman?

Mr. COOPER. Let me conclude by saying, watching you testify makes my blood boil. I'm not sure that I'm aware of any family in America that's more evil than yours.

Chairwoman MALONEY. Thank you.

Mr. COOPER. Thank you, Madam Chair.

Chairwoman MALONEY. The gentleman's time has expired.

The gentleman from Louisiana, Mr. Higgins, is now recognized for five minutes.

Mr. Higgins?

Mr. HIGGINS. Madam Chair, thank you for holding this hearing.

Dr. Landau, just to advise you, I'm going to be directing questions to you. And I thank you for your military service.

Dr. Landau, if you're there—we have technical challenges—have you ever ingested OxyContin?

Dr. LANDAU. I'm sorry, Representative. Did you ask me if I ever adjusted OxyContin?

Mr. HIGGINS. Ingested.

Dr. LANDAU. Oh, I'm sorry.

Mr. HIGGINS. Have you ever ingested OxyContin?

Dr. LANDAU. No, sir.

Mr. HIGGINS. Have you, as a soldier in theater and as a doctor, have you personally been around your fellow man that's suffering extreme pain, traumatic pain?

Dr. LANDAU. Representative, sadly, I have. I've treated patients, as I mentioned in my oral testimony—

Mr. HIGGINS. Understood.

Dr. LANDAU. Yes.

Mr. HIGGINS. It's quite a—it's quite an intimate interaction, is it not, when you're trying to help someone that's in incredible pain.

And, in your opinion, what would that person do to make that pain end at that moment?

Dr. LANDAU. I believe I understand what you're asking. And pain can be so severe, to drive people to do many different things, sometimes extreme.

Mr. HIGGINS. Well, the answer I'm—it's not a complicated—it's not a trick question. The answer is, if you had extreme pain, insuf-

ferable pain, you would do almost anything to end that pain. You would certainly ingest a painkiller.

And what I'd like to get at during my brief time of questioning is some contradictions regarding OxyContin, as it was understood to be developed as a very effective pain medication to be used, obviously, according to prescription. But it quickly became—listen, I was a police officer, a street cop for 12 years, full-time, civilian. I was an MP in the Army, but, beginning in 2004, I was a full-time civilian police officer.

And most of the world, most of America came to know what OxyContin was in 2003, when Rush Limbaugh went through his addiction period and, to his credit, courageously and candidly admitted it on the air and went into treatment. And, prior to that, OxyContin, unless you were directly involved in it with pain management, America didn't really hear about it.

But if you think about the timing, becoming a full-time police officer, street cop, SWAT cop, in 2004 until I decided to run for Congress in 2016, that was a period of time that America really went through opioid addiction in incredible numbers of increased addiction—heavy impact on communities across the country.

And Oxy, Dr. Landau, Oxy was known to be so addictive, it was known on the street that it was just—cops get injured all the time, and we would know, generally speaking—I'm sure you could find exceptions—but if we got injured, we wouldn't take Oxy. Because it was known—it had a reputation as a one-dose addiction.

Now, my point is, if you're in extreme pain—you've acknowledged this—we find ways through modern pharmaceuticals to manage that pain and deal with it. But Oxy was so powerful and so addictive, regardless of how effective it was—it's not arguable—it was just it was so addictive, the street knew that it was a serious problem. And yet—and yet—this is what I want—this is my question to you: How on Earth did Purdue decide to pursue this policy of pushing Oxy as a less-than e-percent risk of addiction? To me, that's like a real betrayal.

If there was some righteousness behind the development of this drug for it to be used properly and for the right reason, extreme pain management, that's understandable. But knowing how addictive it is, how did Purdue get to the point of pushing this drug as a one-percent-addiction drug?

And I'll give you my time to respond.

Dr. LANDAU. I understand. I appreciate the—I appreciate your service, and I appreciate the question, Representative Higgins.

Look, addiction—I'm a physician, right? And addiction is a devastating disease. It's a chronic, relapsing, but treatable disease.

We've known—the company has known that oxycodone, like other Schedule II opioids and products, carry a risk of addiction. Science has changed. Our understanding of the science has changed over time. I wasn't present for the development or approval of the product or the creation of—

Mr. HIGGINS. How could the street know before Purdue's board knew? How could the street know—

Chairwoman MALONEY. The gentleman has asked a good question, but his time has expired.

Dr. Landau, please answer his question.

Mr. HIGGINS. Thank you, Madam Chair. I apologize.

Dr. LANDAU. That's OK.

Representative Higgins, I do want to respond to your question. My recollection is that the package insert or labeling for the product has changed over time. And, in 2001, it was changed by FDA to include the highest level of warning possible in a package insert, which is the inclusion of what we call a black-box warning, which calls attention to the risk of abuse, misuse, and addiction specifically.

It's a terrible scourge, and I'm not minimizing the impact that this has had on the population. So, in essence, I'm agreeing with your concern.

Chairwoman MALONEY. Thank you.

The gentleman's time has expired.

The gentleman from Virginia, Mr. Connolly, is recognized.

Mr. Connolly?

Mr. CONNOLLY. Thank you, Madam Chairwoman. Can I be heard?

Chairwoman MALONEY. Yes, you can. We can hear you.

Mr. CONNOLLY. Thank you. And thank you for holding this hearing.

You know, there's another book that I had the privilege of interviewing the author on C-SPAN called "Dopesick." And "Dopesick," by Beth Macy, documents the introduction of OxyContin as our most miracle pain treatment and how Pharma deliberately marketed that drug to more rural parts of my state, Virginia, where the level of susceptibility in many rural clinics and doctor's offices to this miracle drug and to the very aggressive marketing and the promises of pain treatment and pain therapy were overstated and, of course, the dangers of addiction understated.

That book also documents the fact that there was very early evidence on the street, as Mr. Higgins said, that this had unusual addictive qualities. And, all of a sudden, crime rates were up because people craved the drug; doctors were overprescribing it, with the encouragement of Pharma.

And so we're not talking about criminals in the underground world seeking another, you know, high. We're talking about people who became addicted under the supervision of their physician with prescribed drugs.

I have a constituent; his son died. He was an athlete and a scholar at NYU from Fairfax, Virginia, and had an injury playing football. He was treated for that injury and was prescribed the pain medicine OxyContin, and he became addicted, through no fault of his own. And that young man did everything he could; he went to multiple rehab centers. He couldn't lick the addiction. That's how powerful it is.

Even those who can lick the addiction often find themselves for years in rehab, trying to kick the addiction, because it's that powerful. That's why many, when they can't get OxyContin, as a substitute, turn to heroin.

And dopesickness is the downside of getting off it. You get sick. If you don't stay on a regimen of some kind of drug treatment like naloxone, you're going to be in deep trouble. You can't go cold-turkey. Therapy here is different than with other substance abuse.

And what's so tragic, Mr. and Ms. Sackler, is your family knew about this. You knew that it was too potent, and you did nothing about it as a family. You knew that people were getting addicted, and you did nothing about it as a family, other than benefit from it financially, as the chairwoman has pointed out, to the tune of \$10 billion.

You know, Hannah Arendt wrote about the banality of evil. Mr. Cooper called you the most evil family in America. I don't know if that's true. I don't know that your intentions were evil. They were certainly self-aggrandizing, and they certainly turned—and, in that self-aggrandizement, you had to turn a blind eye to the suffering that your company and that one drug inflicted on the American people, actually creating a crisis. And you bear that responsibility and will bear that responsibility for the rest of your lives.

Thank you, Madam Chairwoman.

Chairwoman MALONEY. The gentleman yields back.

The gentlewoman from West Virginia, Mrs. Miller, you are now recognized.

Mrs. Miller?

Mrs. MILLER. Thank you, Chairwoman Maloney and Ranking Member Comer.

I do want to reiterate the points that I made during my opening statement.

My state has been hit really hard with the opioid epidemic. In fact, we became pioneers on how to deal with these drug-exposed babies. The first lady three times has visited Lily's Place as we've learned how to deal with infants born with—they don't like to call it addiction; they call it drug exposure. Nonetheless, we've been hit so hard.

And I am thankful for the efforts on the Federal, the state, and the local level to address addiction in our communities, and I am grateful for the progress that we've made. But I cannot underscore the magnitude—the magnitude—of this epidemic on my state and how it has not only shaped what's happening right now but our future generations of West Virginians.

Dr. Landau, what efforts has Purdue taken to educate the doctors about the dangers of overprescribing OxyContin? And has it been effective?

Dr. LANDAU. Thank you for the question, Representative Miller.

Although I haven't been, until becoming CEO, responsible for the commercial organization, it was my belief that the safety and risks associated with medicines were presented to and discussed with physicians as part of a balanced discussion when our representatives would visit with physicians.

But, I think, more importantly and more directly related to your question, the company's been very active over the years in risk mitigation and actually played a lead role in the development of what's called the Risk Evaluation and Mitigation Strategy. It was developed, I believe, and finalized at or around 2010.

And, in that process, Purdue, along with a number of other companies, proposed that prescriber education be mandatory in order to prescribe controlled substances and that doing so be linked to the registration process for DEA certification.

So, you know, the company, then and now, feels strongly that mandatory education—because, as Representative Connolly talked about in the example of a friend whose son died after being prescribed OxyContin for a sports injury, that prescription may not have been appropriate in the first place. And prescriptions start with the pen of a physician, and physicians need to demonstrate a level of competence before they issue a prescription and before medicines get into the hands of legitimate patients who might not otherwise require or benefit from these medicines.

Mrs. MILLER. Well, what has Purdue done to educate the patients about the dangers, also, of abusing OxyContin?

Dr. LANDAU. Well, Purdue over time has been a substantial supporter through public awareness campaigns and third-party education organizations, putting forward key messages related to safe storage of medicines and proper disposal of prescription medicines.

We know that the vast majority of medicines that wind up in the wrong hands actually come from friends and family members. Sometimes they come from the medicine cabinet of a legitimate patient who was prescribed the medicine for a legitimate medical condition by a well-trained provider.

So, we've been a supporter of education directed at recipients of pain medicines, directed at schoolchildren, through a program run by EverFi, to get the word out to students at a young age that they need to be careful and they need to be aware of the dangers of prescription medicines and abuse and addiction in general.

Mrs. MILLER. Well, my next question was really related to that, about, you know, what you've done to help communities that have been negatively impacted. So, you are in the school systems, trying to teach the children what drug use can do to their body?

Dr. LANDAU. Yes, definitely. We have an active program, active support of the organization I mentioned. And we're also active through our Office of Corporate Social Responsibility, very active, in supporting community-based programs aimed at education, at addiction, at recovery, at retraining, at reentering the work force in states like Kentucky—sorry—North Carolina, Connecticut, and Tennessee—examples come to mind.

Mrs. MILLER. OK. I'm sorry. I need to interrupt you, because I do want to ask the members of the Sackler family if they have ever visited Appalachia to see the impact of the epidemic firsthand, in my time that's left.

Mr. DAVID SACKLER. I have visited Appalachia but not for the express purpose of a fact-finding or what you're suggesting.

Mrs. MILLER. So, why did you visit Appalachia?

Mr. DAVID SACKLER. I visited with my wife for a vacation.

Mrs. MILLER. Well, I really think it would behoove you to actually go into some of these communities that have just been so devastated so that you understand how the epidemic, on a firsthand basis, has directly affected a huge amount of people all through Appalachia.

Thank you, Madam Chair.

Chairwoman MALONEY. Thank you. Thank you for your very meaningful questions.

The gentleman from Illinois, Mr. Krishnamoorthi, is recognized.
Mr. Krishnamoorthi?

Mr. KRISHNAMOORTHY. Thank you, Chairwoman Maloney. Can you hear me?

Chairwoman MALONEY. Yes, we can. We can hear you.

Mr. KRISHNAMOORTHY. Dr. Kathe Sackler, I have a question for you.

According to *The Washington Post*, in 2001, Richard Sackler, the former CEO and chairman of Purdue Pharma, wrote in an email the following. He said, quote, "We have to hammer on the opioid abusers in every way possible. They are the culprits and the problem. They are reckless criminals."

Dr. Kathe Sackler, I assume you do not agree with your cousin Richard Sackler that opioid abusers are reckless criminals and culprits and the problem, correct?

Dr. KATHE SACKLER. Correct.

Mr. KRISHNAMOORTHY. Richard Sackler also made another doozy. He said people addicted to opioids were, quote, "being glorified as some sort of populist victim," close quote.

Now, let me go to David Sackler for a moment.

Mr. Sackler, I'd like you to look at Image 1, which should pop up on your screen now.

Staff, can you put Image 1 up?

Mr. Sackler, this is your home in Bel Air, California, correct?

Mr. DAVID SACKLER. No. I've never even spent a night there.

Mr. KRISHNAMOORTHY. So, you don't own this property in California?

Mr. DAVID SACKLER. The trust for my benefit owns it as an investment.

Mr. KRISHNAMOORTHY. Oh, the trust owns that. Yes. Mr. Sackler, the trust bought this for \$22.5 million in an all-cash deal, according to *Curbed LA* from March 8, 2018.

Let's go to Image 2 for a moment, please, staff.

Mr. Sackler, do you recognize this particular property in Manhattan? This was your former home?

Mr. DAVID SACKLER. Yes. We sold that a number of years ago.

Mr. KRISHNAMOORTHY. Yes. You sold it for \$6.1 million in 2019.

So, let's just recap. You bought a property in L.A. in 2018 through your trust. At the same time that year, there were 15,000 prescription drug opioid deaths.

In 2019, you had another property that you sold, this one for \$6 million. And in 2019, unfortunately, opioid deaths went up by almost five percent.

Now, Mr. Sackler, I know that people got addicted to prescription drugs such as OxyContin. I would submit, sir, that you and your family are addicted to money.

Now, Dr. Landau, I'd like to turn a question over to you.

It turns out that, after the first round of felonies that Purdue Pharma committed in 2007, you, as the chief medical officer around that time, went to the FDA to try to lobby against them putting in a rule to make it harder for physicians to prescribe OxyContin.

Staff, can you put up document 13 from the slideshow?

At that time, you made a 2009 presentation in September of that year with your consultants at the FDA, and in that presentation you said in this slide, "Who at Purdue takes responsibility for all

these deaths?”, referring to opioid deaths. And the answer: “We all feel responsible.”

Now, Dr. Landau, I presume that when you refer to “we,” that includes you, correct?

Dr. LANDAU. With respect, Representative, that wasn’t a slide that was presented. And, actually, it was not a final slide; it was material in preparation for a meeting with—

Mr. KRISHNAMOORTHY. I see. So, you don’t feel responsible. Is that what you’re saying?

Dr. LANDAU. Absolutely not, is what I’m saying.

Mr. KRISHNAMOORTHY. Oh, OK. Very good.

Well, let me ask you this. You don’t feel responsible for any of that. So, let me go to this question. You do admit that Purdue Pharma just admitted to committing three felonies, correct?

Dr. LANDAU. Representative, at no time in my Purdue career was I a witness—

Mr. KRISHNAMOORTHY. It’s a yes-or-no question. Did Purdue Pharma agree that it committed three felonies?

Dr. LANDAU. As I said in my opening statement, Purdue pleaded guilty to three felonies in Federal district court, yes.

Mr. KRISHNAMOORTHY. Dr. Landau, the CDC looked at OxyContin and said the following: “We know of no other medication that’s routinely used for a nonfatal condition that kills patients so frequently.”

Dr. Landau, I would respectfully submit that, as you seek a \$3 million bonus from the bankruptcy court at this point in time, that you remember what the CDC found and you remember that you indeed are partly responsible for those deaths that you and your products helped create.

Thank you.

Chairwoman MALONEY. Dr. Landau, did you want to respond?

Dr. LANDAU. Oh, I’m sorry, I didn’t know it was a question, and I would—

Chairwoman MALONEY. OK—

Dr. LANDAU [continuing]. like to respond. I would like to respond by saying to the Representative, I’ve dedicated my entire career to helping patients, both through the practice of medicine and then by developing medicines and mitigating their risk.

So, I—you’d be inhuman not to feel remorse for the actions of the company and the implication of the product in so many bad outcomes. But I do believe that the product has helped a great many individuals suffering from pain, individuals who the medicine was developed for and intended for.

So, I’m not evading the responsibility—

Mr. KRISHNAMOORTHY. Will you forgo your \$3 million bonus? Will you forgo this \$3 million bonus you’re taking out of the pockets of the people that should get that money from the bankruptcy court?

Dr. LANDAU. Representative, I agree accountability is critical. And as a—

Mr. KRISHNAMOORTHY. Yes or no, will you give up the bonus?

Dr. LANDAU [continuing]. I have already made—willingly made significant monetary concessions in order to move the bankruptcy process forward.

Mr. KRISHNAMOORTHY. So, the answer is no. You want that \$3 million at the expense of those opioid victims. Shame on you, Dr. Landau. Shame on you.

Chairwoman MALONEY. The time has expired.

The gentleman from Pennsylvania, Mr. Keller, is recognized for five minutes.

Mr. Keller?

Mr. KELLER. Thank you, Madam Chair, and I appreciate you holding this important hearing.

For decades, drug overdose deaths have remained at an unacceptable level across the United States. Just last year, we lost over 4,400 Pennsylvanians due to drug overdose. That's 12 deaths per day on average, which is 12 too many.

I hope this committee and the House of Representatives can get to work on solutions that save lives and enhance the 21st Century Cures Act and Comprehensive Addiction and Recovery Act.

Thanks to these efforts and President Trump's leadership on the issue, more resources are available to fight the opioid epidemic. Naloxone is more widely available to prevent overdoses, which has led to encouraging downward trends. However, more work is needed to reduce deaths related to opioid abuse. This includes holding companies like Purdue accountable for their deceptive tactics.

Starting in 1996, Purdue Pharma and the Sackler family marketed OxyContin, a drug at the forefront of our Nation's opioid epidemic, as having much lower addiction risk to patients, which sharply contrasts with the reality that this drug has cost lives and torn families apart.

So, just a couple questions I would have for Dr. Landau: What is your company doing to educate patients and providers about the danger of overprescribing opioids?

Dr. LANDAU. Thank you for the question. It's obviously a very important topic.

You know, the company has, for some time, been syndicating the guidelines produced by the Centers for Disease Control since they were issued in early 2016, which I fully support.

We're also, as I mentioned in earlier testimony, supporting a tremendous amount of education, you know, through third-party resources to bring to bear and bring to the surface important information relating to both the prescription of opioids, their safe storage, their disposal, the consequences of addiction, with an emphasis on children, on schoolchildren, to prevent them from their initial exposure, which can have devastating consequences, as we've heard in earlier testimony from family members who have lost loved ones.

Mr. KELLER. OK.

Also, it's my understanding that, as CEO, you have instituted reforms such as ending your company's use of tactics like detailing, where sales representatives target prescribers in an effort to boost sales.

How would you recommend Congress work with the pharmaceutical industry to prevent opioid addiction?

Dr. LANDAU. That's another tremendously important question, and I appreciate it.

You're correct. Soon after becoming CEO in 2017, I made a decision to stop the sales-representative-based promotion of opioids. We also decided to eliminate whatever speakers' programs remained for our products.

What I would recommend, you know, as part of the solution—as I understand the purpose of this hearing is intended to solicit ideas—is to make training for prescribed—for opioids mandatory, as I mentioned earlier.

And I would also suggest that efforts be made to require all of the medicines within this class, controlled-release and immediate-release opioids, to have barriers introduced to make them less susceptible or less attractive as drugs of abuse.

Addiction is a tougher issue. It's a complex medical condition with various contributing factors. I think education of physicians, access to healthcare are vital.

Mr. KELLER. OK.

And one other thing. In your background as an anesthesiologist, can you speak to the effectiveness of non-opioid pain management with things like nerve blocks and physical therapy?

Dr. LANDAU. Yes. I had a little trouble hearing the question, but I believe the thrust of it is speaking to treatments other than opioids to manage pain.

So, as a physician—

Mr. KELLER. Yes.

Dr. LANDAU [continuing]. and as a physician who's treated pain patients, I am a full supporter of what's referred to as a multidisciplinary approach to pain. Opioids and other pharmacologic options are one—or, you know, represent a series of options, but there are other options which, in my view, need to precede the decision to initiate therapy with opioids. And these are nonpharmacologic options: physical therapy, behavioral therapy, cognitive therapy, rehabilitation, you know, biofeedback.

There are a number of modalities that are available that can be quite effective in combination with or in place of the decision to write a prescription. And I believe there are certain barriers, you know, to patients, at present, you know, sort of, preventing or reducing access to those important treatments. So, I would encourage any action that can be taken to open access up for patients for those types of therapies.

Chairwoman Maloney. The gentleman's time has expired.

Mr. KELLER. Thank you, Madam Chair. I yield back.

Chairwoman MALONEY. And the gentleman from Maryland—

Mr. RASKIN. Thank you, Madam Chair.

Dr. Landau, has any executive in the Purdue company ever spent a day in jail for the actions of the corporation?

Dr. LANDAU. I believe not.

Mr. RASKIN. Madam Chair, it's easy to feel outrage about the misdeeds of this corporation, but what about our government that gives license to this kind of corporate irresponsibility and criminality and impunity?

Mr. Sackler, as part of the DOJ settlement, did you have to admit any wrongdoing or liability or responsibility for causing America's crisis of opioid addiction and death?

Mr. DAVID SACKLER. No, we did not.

Mr. RASKIN. Were you interviewed by the Department of Justice, as part of this investigation, about your role in these events?

Mr. DAVID SACKLER. No.

Mr. RASKIN. Do you take any responsibility for causing America's nightmarish experience with the opioid crisis?

Mr. DAVID SACKLER. Well, though I believe the full record, which has not been publicly released yet, will show that the family and the board acted legally and ethically, I take a deep moral responsibility for it, because I believe our product, OxyContin, despite our best intentions and best efforts, has been associated with abuse and addiction, and—

Mr. RASKIN. Yes. You're using the passive voice there when you say it's been associated with abuse, which implies somehow you and your family were not aware of exactly what was taking place in the country.

You know, Madam Chair, look at what the consequence is of this kind of corporate recklessness and governmental toleration of it. The DOJ, in 2007, let the Sackler family get away with murmurs of regret for what other people felt and so on—a mere slap on the wrist. In 2007, the Department settled misbranding charges with the company but required no admission of wrongdoing. Nobody spent a day in jail.

And then documents obtained by our committee now show that, after this toothless 2007 settlement, members of your family proceeded to deliberately, aggressively, and recklessly push Purdue executives to flood the market even more with OxyContin, including by targeting high-volume prescribers and pushing higher-strength doses of the drug.

Consider this email that Dr. Richard Sackler sent in March 2008 to the CEO of Purdue. He wrote, quote, "I want the organization to stretch, not idle, as so much of it has for a long time." Dr. Sackler was complaining about corporate revenues as OxyContin sales more than doubled to hit an extraordinary \$2.3 billion. That is the consequence of government complicity with this kind of corporate misconduct.

The DOJ settlement requires Purdue—now, this new sweetheart deal requires Purdue, but not your family, to set up a public document repository containing all the documents Purdue handed over to DOJ. But the repository doesn't come into being until after bankruptcy is over, and it doesn't apply to documents in the control of your family.

So, I want to ask you, Mr. Sackler, right now about the transparency that you say you champion. Will you commit, today, to the U.S. Congress and to the American people to contribute any documents that you have to the public document repository that's being created as a result of this settlement?

Mr. DAVID SACKLER. I have no problem with transparency with everything that is relevant to Purdue as it relates to the Sacklers—none at all.

I think people have a misimpression through various media sources of the level of scrutiny that the family has gone through as a result of the bankruptcy proceedings and the investigation hearing. I don't say that as a complaint, but I think people need to understand that a blanket commitment to the—

Mr. RASKIN. OK.

Mr. DAVID SACKLER. Well, OK. Very well.

Mr. RASKIN. Will you turn over the documents that you have produced to the Department of Justice?

Mr. DAVID SACKLER. That's a question for the lawyers, sir, but I think—

Mr. RASKIN. OK. Well, let me—I've got to two final questions.

It's been reported that members of your family talked about milking the company and then proceeded to remove millions or billions of dollars in excess profits from it prior to bankruptcy.

Did you participate in conversations where you talked about milking the company and getting as much money out as quickly as you could before the bankruptcy took place?

Mr. David Sackler. I can't recall those specific conversations. However, I disagree with your assertion of even what "milking the company" meant in that context. I think it's been badly—it is being badly taken out of context.

Mr. RASKIN. All right.

Finally, as part of this settlement discussion, the idea has been floated of turning OxyContin—essentially, turning this into a public-benefit corporation. A lot of attorneys general, at least 24 of them, oppose this idea. They want it stripped out.

I would like to submit for the record, Chairwoman Maloney, a letter from the state attorneys general and specifically from the attorney general of Massachusetts, Ms. Healey, who says that this is a perversion of the justice process, essentially, to get the government involved in promoting this drug.

And so I would like to submit that for the record, if I could.

Chairwoman MALONEY. So, ordered, so ordered. Thank you for bringing it up.

Mr. RASKIN. I will yield back. Thank you.

Chairwoman MALONEY. I want to really comment very briefly on your focus on transparency, that talking to many of the families, they want to see more documents. They want to see what's being held in these court decisions. And I for one am going to put up on our website every document we got preparing for this hearing so that the public can see these emails, the other information that we brought together. Thank you for your questioning.

The gentleman from Kentucky, Mr. Comer, is now recognized for five minutes. I do not believe there are other speakers on your side that I can see on the roster here. Mr. Comer, thank you again for your cooperation and help with this hearing. You're now recognized for as much time as you would like.

Mr. COMER. Thank you, Madam Chair.

I'm going to address my questions for the Sackler family. And, first of all, do you all consider the doctors who prescribed OxyContin complicit in any of this? We've already had extensive questions and discussion about the damage caused by OxyContin, not just in rural America, but in basically every county in America. Every family in America has someone they know who has suffered addiction, and the cost to society cannot be measured. But I'm wondering, do you blame any of this on the doctors who prescribed OxyContin?

Mr. DAVID SACKLER. I would say that this is an incredibly complex problem with roots dating back long before the introduction of OxyContin. And the medical establishment as a whole and doctors as a whole are the gatekeepers of prescription opioids. These products are available only by prescription. So, one has to examine that as a cause.

As far as blame, I'm not here to assign blame at all. I—but I do—

Mr. COMER. Well, let me stop you there. So, I ask that question because I don't know what role doctors played. I don't know if they made informed decisions or if they were misled. That leads me to my next question. Did you ever approve a marketing plan which failed to adequately inform doctors of the major risks of OxyContin, such as abuse, addiction, overdose, and death?

Mr. DAVID SACKLER. I believe the record will be clear that I never did such a thing.

Mr. COMER. In 2007, Purdue Pharma pled guilty to misbranding OxyContin based on claims it was less addictive than short-term alternatives. This year, Purdue pled guilty to very similar charges based on actions that appear to have been directed by your family, the Sackler family. Your family profited a great deal from OxyContin.

Do you believe opioid victims and their families have been adequately compensated for the deception perpetrated by Purdue Pharma and your family?

Mr. DAVID SACKLER. I—I would like to address that in two parts, if I may. The first part is, I believe that the record in full will clearly demonstrate that the current guilty plea that Purdue has undergone was activities that the board was completely unaware of and was contrary to board instruction, in some cases. So, I think that will be very clear when—when the documents are released.

However, compensation for victims is an incredibly important thing. And it's my belief that the bankruptcy process offers the best and most transparent and most equitable way to address the opioid epidemic. And I know it's been widely criticized in the media, but I think that's a lack of understanding. It permits for an orderly distribution of funds, whatever they may be. It creates a public benefit company, the first of its kind in the pharmaceutical industry.

Mr. COMER. Let me interrupt you there. Let's talk about the bankruptcy process. Having served as a director of a community bank for many years, I'm very familiar with the bankruptcy process. And what often happens is companies get into trouble, financial trouble, and they file bankruptcy, and then they suddenly reappear, as you are mentioning, in a new company. And they just wipe away all the debt that they have to their creditors. And it's—you know, it's not my favorite part of the law watching companies be able to shield by a bankruptcy.

So, it's my understanding that your family has offered creditors, in the bankruptcy proceeding, just \$3 billion to avoid larger pay out to victims. Is your family attempting to take advantage of the bankruptcy system to shield its billions from justice for the American people?

Mr. DAVID SACKLER. No. I don't believe that is accurate in any way.

Mr. COMER. Well, it would seem otherwise, and I think that everyone on this committee would disagree with your answer to that last question. And, look, we don't agree on a lot on this committee in a bipartisan way, but I think our opinion of Purdue Pharma and the actions that your family, I think we all agree, are sickening. And it's not just the cost to the families; it's the cost to society.

Now, every county in my congressional district, I have 35, one of the things on their wish list is always more money for drug rehab centers, more money for help, to help people and help communities cope with the expense of their faults. And this started—this all started through OxyContin and marketing and misleading doctors and misleading patients about the benefit of your drug.

I am sympathetic to people that have pain. There are people in America that have legitimate pain, and they need help for that pain. But when you say that you didn't know when you created this drug what would happen, that may be true, but what I point out in my questioning, what others have pointed out today is your company knew this, that it was addictive, that it was creating deaths, creating disruptions, creating all sorts of havoc in America, but yet you continue to marketing—you continued marketing this product.

Now, it even got to the point to where everybody knows the damages of OxyContin. So, you file bankruptcy to avoid the majority—the overwhelming majority of the costs that you've passed on to society. And you're going to reorganize, I assume, in a, you know, benefits corporation or however you're going to reappear, and continue to profit; maybe not with OxyContin, but you continue to operate, when I know of doctors that have overprescribed pain pills that have lost their licenses.

I know of families that have lost loved ones. I know families that have been torn apart because of what your family and your company continue to market to the American people, and it's just sickening to me. And I share the outrage of just about every American. And I am just sick to see what it appears to me as a family and a company that's going to use the bankruptcy process to get out of this and to continue to be one of wealthiest families in America. It's unacceptable. And I just—I'm just sickened, sickened the more I read about the actions of Purdue Pharma.

With that, Madam Chair, I yield back.

Chairwoman MALONEY. Thank you. Thank you, Mr. Chairman, for your cooperation, ranking member, on this.

And I ask unanimous consent to place in the record a statement by the Massachusetts Attorney General, Maura Healey, that mirrors many of the things that you were saying. Just a quote from it: If we let powerful people cover up the facts, avoid accountability, or create a government-sponsored OxyContin business, that's not justice; it's offensive and wrong.

I ask unanimous consent to put her statement, it's quite long, into the record.

So, ordered.

Chairwoman MALONEY. I now recognize Mr. Sarbanes. He is recognized five minutes. Mr. Sarbanes.

Mr. SARBANES. Thank you very much, Madam Chair. Can you hear me?

Chairwoman MALONEY. Yes, we can. Thank you.

Mr. SARBANES. All right. Thanks so much.

So, we've heard plenty of testimony today about the timeline here that in 2007, Purdue Pharma pleaded guilty to illegally misbranding OxyContin in this effort to mislead doctors and patients about the drug's risk of addiction. They would fine—Congressman Raskin indicated that that was really just a kind of minor slap on the wrist for the company, and I certainly agree with that.

But what's breathtaking here is that it looks as though that settlement and that fine that was entered into by the company was a signal to the family that with litigation coming down the road, the efforts to maximize profits from OxyContin should be redoubled. You basically went to the math to try to pull as much money and profit from the company and from its activity as you could because you knew that this cash cow was going to come to end, the gravy train was going to be over at some point.

Just stepping back, looking at it in those very simple terms, you can't—a reasonable person cannot reach any other conclusion about the behavior of the family in the wake of that 2007 penalty that you experienced. So, that was cynical. And I think, as you can tell from the committee's perspective here, we view that as really obscene in terms of what you decided to do next.

So, Dr. Landau, I'm not going to ask you a question, but I do want to quote again, I think Congressman Cooper mentioned, that you at one point acknowledged that Purdue was operating in a way where the board of directors was serving as the de facto CEO. So, this notion, and we've heard it today from the family, that, oh, you know, we were just following management's recommendations and so forth, is a little bit absurd, because the family had control of the operations, they knew exactly what was happening, and they were willing to push this agenda in terms of what ended up broadening the addiction crisis across the country.

According to internal documents that were obtained by the committee and the Massachusetts Attorney General, the Sacklers as board members were ordering a company—this was, again, after the slap on the wrist in 2007—to hire hundreds more sales reps, directed those reps to target the highest prescribers of OxyContin, push highest strength dosage of OxyContin, approve misleading marketing materials that downplayed the risk of the addiction, rewarding employees for selling more drugs. There was one marketing campaign called "Evolve to Excellence" with the design to, quote, turbo charge sales by reorienting most of the company sales efforts to target the highest prescribing doctors. And this would—where they would write and target sales visits to doctors who wrote 25 times as many OxyContin prescriptions.

You knew what was happening. You knew what was going on. This was designed to pull as much money out of the company as you possibly could before these penalties and lawsuits and other actions were going to come at you.

The company's patient saving card supposedly intended to expand access to OxyContin were consistently tracked and evaluated because Purdue knew these cards were a powerful way to keep patients on opioids longer. Is that right, Mr. Sackler?

Mr. DAVID SACKLER. My understanding is that the patient savings cards were designed to help people afford their medication.

Mr. SARBANES. OK. That's a perfect answer, because it represents the way in which the narrative that you've put together—everything that was, in fact, designed to take advantage of people and exploit their weakness was presented by Sackler and Purdue as trying to help those patients. This is where the crisis originated. This is why thousands of people across the country became addicted, because of this rosy story and narrative that you painted.

The Sacklers, not just Purdue, the Sacklers need to be held accountable. Before 2007, I think it's fair to say that at best the family was morally blind in its actions and conduct. After 2007, the family became morally bankrupt. Not financially bankrupt. You're doing very well. You're rich. And that's obscene when you look at the situation of these families, this wasting across the countries that's been caused by what the family did. I hope that there will be some repercussion, some consequence for the family for its conduct.

And with that, I yield back, Madam Chair.

Chairwoman MALONEY. Thank you. The gentleman yields back.

The gentleman from Alabama, Mr. Palmer, is now recognized for questions. Mr. Palmer.

Mr. PALMER. Thank you, Madam Chairman.

You know, the United States is reported to consume about 90 percent of the world's opioids. And part of this goes back to something that was in the Affordable Care Act that mandated that one percent of Medicare in-patient payments be withheld from hospitals based on patient satisfaction. And this is something that we had a field hearing in this committee, Madam Chairman, you may have been there, at Johns Hopkins Hospital, and we talked about this as part of problem.

The issue that I want to bring up is the role of Purdue Pharma in pushing this. The Joint Commission is a U.S.-based nonprofit tax exempt 501 organization that accredits more than 22,000 healthcare organizations' programs. According to a Wall Street Journal article, The Joint Commission published a guide sponsored by Purdue Pharma on pain management. The guide reportedly stated some clinicians have inaccurate and exaggerated concerns about addiction, tolerance, and risk of death related to the use of OxyContin. And so there was no evidence of addiction as a significant issue when persons are given opioids for pain.

What I would like to know from Mr. Landau is, did Purdue Pharma fund that—any of that research done by The Joint Commission?

Dr. LANDAU. With respect, Representative Palmer, I don't know. I said in earlier testimony that before I became a CEO, I was entrenched in research and development, and that would have been an area outside of my area of responsibility. I could get back to you certainly after the hearing with that information.

Mr. PALMER. Mr. Sackler, did Purdue Pharma fund any of the research published by The Joint Commission?

Mr. DAVID SACKLER. I simply don't know. I unfortunately—

Mr. PALMER. The answer to the question is yes.

There was—OxyContin was approved by the Food and Drug Administration in 1995, and your company mounted an aggressive

marketing campaign that included warning that—the FDA warned in 2003 it was misleading. Are you aware of that?

Mr. DAVID SACKLER. My recollection is that the FDA's warning letter in 2003 related to a single ad in a journal article.

Mr. PALMER. What I'm pointing out here is what appears to me to be an intentional effort to mislead not only patients, but physicians and hospitals. And working through The Joint Commission, which has tremendous influence obviously, they're an accrediting organization, and your company has heavily invested in them. They are a 501(c)(3). You've made significant contributions through your company to The Joint Commission. And it seems to me that, obviously, Purdue knew that there were major problems with OxyContin, but you aggressively, and I think in a dishonest way, pushed this drug on doctors. And it only ramped up after the changes in the Affordable Care Act that made pain management one of the key factors in whether or not hospitals could get their full payments from Medicare for taking care of Medicare patients.

The Joint Commission even went so far as to find pain management as a patients' rights issue. That's disturbing. And I just want to know how much money Purdue Pharma put into The Joint Commission.

Mr. DAVID SACKLER. I—I don't know.

Mr. PALMER. Well, would you be willing to get that information or, Mr. Landau, get that information and provide that to this committee?

Dr. LANDAU. Yes. I'll take that request back for sure, Representative.

Mr. PALMER. OK. Madam Chairman, can the committee make sure that they followup on that?

You're muted.

Chairwoman MALONEY. We will followup. Thank you.

Mr. PALMER. Thank you very much. I see that my time has expired.

I would just like to conclude by saying this, that Alabama has the highest use of opioids in the country. Now, I know West Virginia has the highest death rate.

When we had this field hearing at Johns Hopkins, there were plans in place to remove the pain management from the ratings for the hospitals, and I think that's been done. But it was only after we were seeing 60,000 to 70,000 people per year die from drug overdoses. This is an unspeakable tragedy that has taken place in this country, and I think Purdue has a tremendous responsibility here to make it right.

Madam Chairman, thank you for the indulgence. I yield back.

Chairwoman MALONEY. Thank you.

The gentleman from Vermont, Mr. Welch, is recognized for five minutes.

Mr. WELCH. Thank you, Madam Chair.

Dr. Sackler, you served on the board from, as I understand it, 1990 to 2018. Is that correct?

Dr. KATHE SACKLER. Yes, that's correct.

Mr. WELCH. So, you were there when there was the rollout of OxyContin in 1996, correct?

Dr. KATHE SACKLER. Yes.

Mr. WELCH. And I understand that that rollout occurred even as the study showed that 82 percent of patients had an adverse reaction. Do you recall that?

Dr. KATHE SACKLER. No, I was not aware of that.

Mr. WELCH. In 1997, there was a memo issued by Purdue to the sales representatives, and I want to quote from this email: Your priority is to sell, sell, sell OxyContin.

Do you recall that?

Dr. KATHE SACKLER. I do not.

Mr. WELCH. Well, you were on the board. Is that consistent with your recollection of the goal that Purdue had to make OxyContin the most used drug in the world?

Dr. KATHE SACKLER. That was not my goal. And I don't recall hearing that espoused as the board's goal either.

Mr. WELCH. Let's just go through this. Purdue set up a very elaborate system to have doctors go to Pebble Beach and be given fees for speaking, to have sales representatives trained to knock on doctors' doors.

Do you recall those matters that were part of the sales plan?

Dr. KATHE SACKLER. As a director of the company, I would not know the specific actions and speakings of the sales department.

Mr. WELCH. I'm not going to go into the details on that, but there was a fundamental decision that the board made to sell, sell, sell OxyContin.

Now, do you know the name of the company Practice Fusion?

Dr. KATHE SACKLER. I never heard of the name of the company Practice Fusion until I was—

Mr. WELCH. Well, your—Purdue Pharma had an agreement with them. It was a medical records organization. And you—it provided a digital alert to doctors about opioids, in an increase prescriptions in your company, Purdue Pharma, gave Practice Fusion a \$1 million kickback. Do you know about that?

Dr. KATHE SACKLER. I was in the middle of trying to answer the first question to say that I never heard of Practice Fusion until my attorneys advised me of it as regards—as regards to Purdue plea.

Mr. WELCH. I don't have much time, so I have to interrupt.

Dr. KATHE SACKLER. Sorry. I learned about it through the Purdue plea.

Mr. WELCH. All right. There was a Wall Street Journal article that reported that Wharton, Notre Dame, and the RAND Corporation did a study that showed in states where you did your marketing program, you Purdue, that it was vastly more [prescribed] than in five states where you didn't. Does that sound right?

Dr. KATHE SACKLER. Again, I don't—I didn't have that knowledge and I don't have that recollection. But if you say so, I accept that.

Mr. WELCH. These are all Federal documents.

Dr. KATHE SACKLER. Yes, I trust they're accurate.

Mr. WELCH. All right. Now, your career on the board coincided with another person who sold, as his career, drugs. His name was Juan Guzman, El Chapo. I don't know if you ever heard of him.

Dr. KATHE SACKLER. In the newspaper I've seen his name.

Mr. WELCH. All right. He was sentenced to life in prison. And Purdue Pharma pleaded to three felonies, yet no one from the Sackler family is in jail. Many of us think that's not right.

But let me ask you this: The Federal Government is seeking \$12 billion in assets from Juan Guzman, El Chapo, the amount that audits suggest he made in the illicit sale of drugs. Do you think it's the right of the taxpayers to get that money back from Mr. Guzman?

Dr. KATHE SACKLER. I—I don't think I can give you an answer to that. I don't know anything about—

Mr. WELCH. You don't have an opinion about—

Dr. KATHE SACKLER. I mean, it sounds—

Mr. WELCH. All right. Let me ask you this: The audit that was done of the Sackler family and Purdue concluded—this is Federal—that the profits to you and to your family members is \$12 billion. Is there any reason you can give us why every single dollar should not be returned to the government for distribution to the victims of Purdue Pharma?

Dr. KATHE SACKLER. I really don't know the answer to that either. I'm sorry.

Mr. WELCH. Well, you do know the answer. It's a yes or no.

Dr. KATHE SACKLER. Can you repeat the question? Maybe I didn't understand it.

Mr. WELCH. The government is seeking \$12 billion from El Chapo as the profit of his sales. The Federal Government audit of the Sackler family is that your family, you and your fellow members of the Sackler family, have \$12 billion in profits from your aggressive marketing and sales of OxyContin. Is there any reason why that money, every single dollar, should not be returned and recovered by taxpayers for distribution to families?

Dr. KATHE SACKLER. I would think that you would agree that—that the way that such a determination would be addressed would be for the Justice Department to conduct proper investigations and procedures, which I believe they are doing. And, you know, the—so I think this is up to the responsible government agencies. I don't think this is something I can opine on actually.

Mr. WELCH. El Chapo got a life sentence and he's going to forfeit \$12 billion. The Sackler family, through Purdue, has three felony convictions, but no one's in jail and it has its billions still.

Dr. KATHE SACKLER. Excuse me, the Sackler family doesn't have a felony conviction. Purdue Pharma has a felony conviction. I'm an individual person. I worked as a director at Purdue. I'm a beneficiary owner of Purdue, but I am not—there are no allegations that have been put forth or accusations that have been put forward against me or other directors of Purdue. There were also five or six independent, you know, outside directors that participated fully in every decision that was made at the board of directors. And I think that it's—including, you know, some of the decisions you've cited today. And I think that that's the status as of now.

Mr. WELCH. Well, I'll let this—my time is up. I'll conclude that your testimony is you don't know nothing about nothing. And things happened, but you don't know how. And people are responsible, but you don't know who.

Thank you. I yield back.

Chairwoman MALONEY. The gentleman yields back.
The gentlewoman from Illinois, Ms. Kelly, is recognized.
Ms. Kelly, you're now recognized. Can you hear us?

Ms. KELLY. Yes, I can. Thank you, Madam Chair, for holding this hearing.

I would like to ask a few questions about Purdue's efforts to target opioid prescribing to seniors and patients covered by the Medicare programs. The Medicare program is a crucial part of America's safety net and our Nation's promise to its seniors. Millions of seniors rely on Medicare part D to cover the costs of their prescription drugs.

It appears seniors who access healthcare through Medicare were critically important to OxyContin sales. One internal Purdue document stated that the company targeted, and I quote, patients over the age of 65 as more Medicaid part D coverage is achieved.

Purdue's strategy to target Medicare patients had many dimensions and it extended to the company's approach to providers and prescribers. In Massachusetts, for example, a Purdue supervisor coached sales representatives to follow the company's quote, "geriatric strategy," when promoting OxyContin providers, and to, quote, keep the focus on the geriatric patients.

Mr. Sackler, are you familiar with Purdue's geriatric strategy?

Mr. DAVID SACKLER. I'm not sure I'm familiar in detail. But what you read, I am familiar with.

Ms. KELLY. As part of this strategy, Purdue made false claims about the OxyContin's benefit to elderly patients, and even provided doctors with staged photographs featuring fake patients to humanize the sale, and I quote, bring the heart into it. For example, sales reps allegedly told one Massachusetts doctor that putting elderly patients on OxyContin would improve safety from potential falls, when in reality, elderly patients on OxyContin have increased risk of falling and breaking a bone.

Dr. Landau, you're a trained physician. Can you point the committee to scientific evidence demonstrating that OxyContin would improve safety for elderly patients from potential falls?

Dr. LANDAU. Representative, I'm not aware of that communication, but I can't at this time. No.

Ms. KELLY. Purdue's focus on Medicare became further entrenched after instituting McKinsey's "Evolve to Excellence" program. Part of this plan included ranking prescribers based on, quote, "value deciles." Access to Federal healthcare programs like Medicare was one of the metrics used to analyze prescribers. Purdue also rewarded doctors who were high-volume Medicare prescribers under this plan.

Mr. Sackler, you and the rest of the board personally approved the "Evolve to Excellence" plan, correct?

Mr. DAVID SACKLER. No. I believe elements of it were incorporated into management's proposal, which was then approved by the board. But, no, I don't believe the entire "Evolve to Excellence" plan was ever voted on by the board in that way.

Ms. KELLY. Well, the buck stops with all of you. So, even if you didn't vote on the whole plan, the buck still stops with you.

Between 2013 and 2017, Purdue paid the highest volume Medicare prescriber of OxyContin approximately \$475,000, for speeches.

According to internal communication obtained by DOJ, the prescriber was, quote, “not a strong speaker or presenter,” but he did engage in, quote, “heavy prescribing, particularly in large doses for a long period of time.”

I just want end by saying, my husband had surgery and when he finished his surgery, he was prescribed opioids, OxyContin, but my husband decided not to take it. And the interesting part about my husband is that he’s a trained anesthesiologist.

With that, I’ll yield back.

Chairwoman MALONEY. Technical difficulties.

The gentlelady yields back.

And I now recognize the gentleman from California, Mr. DeSaulnier. You’re now recognized. And thank you for your leadership on this issue.

Mr. DESAULNIER. Thank you, Madam Chair.

As bad as this has been—and I would like to remind people that Purdue Pharma is a privately held company, owned by the Sackler family, largely created by the Sackler family, through multiple generations. And there’s been a lot of fault on this issue: distributors, the FDA, the DEA, and Congress. We allowed for this marketing, whereas Mr. Palmer pointed out, the U.S. has less than five percent of the world population but over 80, 90 percent of the use of opioids. It’s supposed to relieve pain, and it does, but it’s also been abused. And the marketing has been at the crux of this. And it’s been—in many ways, Purdue Pharma is a marketing company as much it is a drug company.

So, it’s so important, Madam Chair, that we pursue this. Other members have brought up the issue of justice and evil. We have to go beyond this hearing. And I want to thank all the members and the bipartisanship that has brought this.

For all the damage that has been done, it’s even bigger than this issue. It’s—part of what’s wrong with this country is that people think that they can ask for forgiveness but not ask for permission and not think about the consequences of their actions. It’s somebody else’s fault.

I became involved in this issue, like many of us do, because of constituents, parents who lost children. One, April Rovero, has become a leader on these issues. Her son died, fortunately in justice. The doctor who was writing that prescription, in a well-publicized story, a case in Los Angeles, was indicted and convicted and is now in jail. Bob Pack, the other constituent, lost a child while they were out walking on a Sunday afternoon, the family, wife was pregnant with twins, when they were hit by a car, a Mercedes, a woman who was using this product. And he has dedicated himself.

I at the time was in state senate and I introduced a series of bills and worked closely with the then attorney general, soon to be Vice President of the United States, Ms. Harris. And one of the bills simply took our prescription monitoring system and updated it so that the DOJ would have real-time information about who was abusing, whether it was the pharmacies, doctors, or clients.

The pharmaceutical industry fought that, fought it very hard. I couldn’t get it out of the committee of jurisdiction of which I was a member of, the health committee, even though I had been promised votes by colleagues. Thanks to Los Angeles Times, and I want

to thank all the writers, people who have written books, phenomenal writing on this. They're not to blame. They are the people who brought this to our attention, and the journalists who have cover these stories.

It came to my attention, it was obvious to me as I watched this up closely, that the pharmaceutical industry, and it wasn't just Purdue Pharma, but the pharmaceutical industry was determined to make sure that we didn't have that information, because they wanted to continue to addict people, they wanted to continue to make money. This was a perfect business model. You had a product that would addict your clients. You marketed it to people who didn't need the product. And the physicians were told it was safe.

Dr. Landau, you are—you wrote a note that said: There are too many prescriptions being written, too high a dose for too long, for conditions that often don't require them, by doctors who lack the requisite training in how to use them appropriately.

But isn't it true, Doctor, that, granted, prior to you having the position you have, that Purdue Pharma, at the direction of the Sacklers, Sackler family members, spent money convincing doctors that there was no risk or very little risk? Isn't that true?

Dr. LANDAU. So, Representative, that's not my understanding, no.

Mr. DESAULNIER. OK. Well, the record states otherwise.

So, while I appreciate and believe in redemption, I'm not interested in contrition here. There's too much damage that's happened, and justice has to be met. As I said in my opening comments, people of color, poor people, do much less damage to this country and don't get to come in and say they're sorry, although I'm sure they are sorry when they're caught. There has to be justice in this case.

And I hope we pursue that in this venue, Madam Chair, but I also hope the people in the Department of Justice and at the state level continue to pursue justice, because if they don't, this is going to happen again.

I yield back.

Chairwoman MALONEY. Thank you for your heartfelt comments. And I can assure you we are planning future hearings and we need your help in doing that.

The gentleman yields back.

The gentlewoman from the Virgin Islands, Ms. Plaskett, is recognized for five minutes.

Ms. PLASKETT. Thank you very much, Madam Chairwoman. And thank you to the witnesses for being here this morning.

Documents that have been obtained through Federal and state investigation have very revealing tactics used by the company Purdue to drive up sales and medically, unnecessarily prescribe OxyContin and other opioids. And there is within those documents allegations and information as to the Sackler family's involvement in these efforts. I wanted to talk about some of that documentation and ask you all if you would answer some of that.

Mr. Sackler, I would like to ask you about an email your father, Dr. Richard Sackler, sent in March 2008. This is document 5 in your materials. Your father sent this email after receiving sales projections for the upcoming year, which he apparently felt were not ambitious enough. He wrote an email to the then CEO, John

Stewart, and members of your family, including a witness here, Dr. Kathe Sackler, calling the projection, quote, a typical low-ball number, and asking the family to, quote, give me support in these matters. He concluded, quote, I want the organization to stretch, not idle, as so much of it has for a long time, end quote.

Mr. Sackler, by “stretch,” I assume he meant he wanted to increase Purdue’s revenues. Is that correct?

Mr. DAVID SACKLER. Well, in this case, he’s referring, I’m pretty certain, to the forecasting effort that Purdue was making and wanting to get better forecasting out of management. I think that that’s clear.

Ms. PLASKETT. So, are you saying better forecasting, meaning more detail, or are you saying forecasting of sales meaning increase in sales, thereby increasing revenues?

Mr. DAVID SACKLER. No. I believe what had happened prior to this is that there had been a number of years where management had set sales targets that they had exceeded. And his desire, as I read this, is for a more accurate sales forecast. And that’s relevant because it relates to the expenses that a company can set, whatever that forecast is.

Ms. PLASKETT. I understand that. It’s important for, as well, for shareholders to have an accurate information as to that.

When he says, “I want the organization to stretch, not idle,” what did you mean by that? Stretch would not mean necessarily to—what did he mean by that, in your opinion?

Mr. DAVID SACKLER. Well, I’m not entirely sure what he meant by that, but I take it to mean work hard to achieve ambitious goals.

Ms. PLASKETT. So, you knew what he meant in the first part, but now you’re not sure what he meant when he said, “I want the organization to stretch”?

Mr. DAVID SACKLER. I’ve given you my best judgment as to what I think he means—

Ms. PLASKETT. So, when he asks for support—

I’m sorry. Go on, sir.

Mr. DAVID SACKLER. No, please go on.

Ms. PLASKETT. When he asks for support on these matters from the family, it looks as if he’s asking for the family members to take the same position during a board meeting or a vote. Would that be a correct assessment of the support that he would need on those matters?

Mr. DAVID SACKLER. He may be asking for it, but I don’t know if he received it. And quite often, he—

Ms. PLASKETT. I didn’t ask you if he received it. I asked you if by support he meant for the family members to take the same position during a board meeting or a vote.

Mr. DAVID SACKLER. I believe that’s what he’s asking for, yes.

Ms. PLASKETT. Thank you. Your father continued to use the Sackler’s family leverage or request leverage within the company to advocate for higher earning targets. According to the Department of Justice, Dr. Richard Sackler again opposed the proposed budget, complaining that it would, quote, lead to an OxyContin tablet forecast that is almost the same as our sales of 2009, end quote. When an executive countered that there is no basis for a higher

projection, he responded, that, quote, this is a matter that the board will have to take up and give you a settled direction, end quote.

Dr. Landau, quote, “settled direction,” just meant that the board would override management and set the sales target. Is that what would happen?

Dr. LANDAU. Representative, I’m not sure I could answer. I’m not certain I was part of those conversations, and I’m not sure what he meant by that.

Ms. PLASKETT. Well, I’m sure you’ve seen these documents before. What would you take, as a CEO of this corporation, a settled direction that a board would have to take up and give you as an executive?

Dr. LANDAU. I think a settled—just generally speaking, a settled direction means alignment or agreement on whatever the issue is in question so that that could be communicated to management.

Ms. PLASKETT. And they would—the board would agree on that and give that direction to management, correct?

Dr. LANDAU. Well, in this instance, I’m not certain. As I mentioned, I’m not—

Ms. PLASKETT. I didn’t ask if you were certain if it happened; I asked you if that is what could happen.

Dr. LANDAU. Any number of things could happen. Again, I’m not part of that conversation.

Ms. PLASKETT. Is it from one of those scenarios, Doctor?

Dr. LANDAU. Potentially, I suppose.

Ms. PLASKETT. You suppose?

Dr. LANDAU. I’m not really sure what you’re asking me, Representative.

Ms. PLASKETT. I think I was very clear in what I asked you, which was, in the matter of the board taking up and giving settled direction, does that mean that a board could override management and set the sales targets of the company?

Dr. LANDAU. I would say that that is possible, but I’m not certain that happened.

Ms. PLASKETT. OK. Thank you. Finally a direct answer.

I yield back.

Chairwoman MALONEY. The gentlelady yields back.

I now recognize the gentleman from California, the Vice Chair Gomez is recognized. Congressman Gomez.

We can’t hear you.

Mr. GOMEZ. Thank you, Madam Chair. Can you hear me now?

Chairwoman MALONEY. Yes, we can.

Mr. GOMEZ. Thank you, Madam Chair.

One of the troubling aspects of the Sackler family’s role in the opioid epidemic, and there are many, is how you actively deceived doctors and the public about the dangers of addictiveness of OxyContin.

Mr. Sackler, it is a scientific fact that OxyContin is more potent than morphine, correct?

Mr. DAVID SACKLER. Though the FDA has removed relative potency from the label, I believe at this point, I do agree it is a lot more potent than morphine.

Mr. GOMEZ. Thank you. With that fact in mind, I want to ask you about a May 1997 email exchange that your father had with Michael Friedman, a senior executive who later became CEO of Purdue. In the email, Mr. Friedman told your father, quote, “We are well aware of the view held by many physicians that oxycodone is weaker than morphine.”

Mr. Friedman ended the email by telling your father that he had no plans to correct the misconception. Your father agreed, telling Mr. Friedman, quote, I agree with you. Is there general agreement or are there some holdouts?

A few days later, your father received an email from another Purdue executive, Michael Cullen. This is document 1 in your materials. Mr. Cullen—which is this email here. Mr. Cullen told your father that, quote, “Since oxycodone is perceived as being a weaker opioid than morphine, it has resulted in OxyContin being used much earlier for noncancer pain.”

Mr. Cullen ended the email by saying, quote, “It is important that we be careful not to change the perception of physicians toward oxycodone when developing promotional pieces.”

Instead of instructing Mr. Cullen to correct the misconception, your father forwarded the email to Mr. Friedman with positive feedback telling him, quote, I think that you have this issue well in hand.

Purdue, under your family’s leadership, then targeted doctors with more advertisements downplaying the addictiveness of the opioid. Let’s play one ad from 1998.

[Video shown.]

Mr. GOMEZ. This—the claims of this video were clearly false. In fact, in 2007, Purdue pleaded guilty in Federal court to falsely promoting OxyContin as, quote, less addictive, less subject to abuse and diversion, and less likely to cause tolerance and withdrawal than other pain medications.

Purdue paid over \$600 million as part of that plea agreement. And Mr. Friedman pleaded guilty as well.

Mr. Sackler, did you plead guilty in 2007?

Can’t hear you. Sorry about that.

Mr. DAVID SACKLER. I did not. I was not a member of the board or had any other formal affiliation with Purdue in 2007.

Mr. GOMEZ. Did your father, Dr. Sackler, plead guilty in 2007? Just a simple yes or no is fine.

Mr. DAVID SACKLER. I believe the Department of Justice investigated him. And, no, he did not plead guilty. That’s my understanding.

Mr. GOMEZ. Did anyone in the Sackler family plead guilty in 2007?

Mr. DAVID SACKLER. Again, the same answer. I believe the Department of Justice evaluated it and no member of the Sackler family pleaded guilty.

Mr. GOMEZ. Yes. And the reason why we’re asking that is the entire Sackler family has emerged from the plea agreement unscathed, and this has emboldened your family to continue its false and misleading promotion of OxyContin.

In the years that followed, you ordered Purdue Pharma to hire hundreds more sales reps to visit doctors. You directed these sales

reps to encourage doctors to prescribe the highest dosage of OxyContin, and continued to downplay the dangers and addictiveness of the drug. And now again, DOJ is settling its case against you without holding you or your family criminally liable for the deception of doctors and the public. I believe that the American people deserve better.

With that, I yield back.

Chairwoman MALONEY. The gentlewoman from Massachusetts, Ms. Pressley, is recognized for five minutes. Ayanna Pressley.

Ms. PRESSLEY. Thank you, Madam Chair, for convening this important hearing.

The question of opioid addiction has destabilized families and communities throughout the country, including in the Massachusetts Seventh, which I have the honor of representing. Now, while the Commonwealth in 2014 was the first state to declare opioids a public health emergency, my constituents are still, to this day, fighting addiction and trying to heal from the pain and trauma created by the Sackler family. Despite the havoc wreaked by the Purdue Pharma, community-based recovery centers have served as critical resources, like the Massachusetts Organization for Addiction Recovery and STEP Rox, who have cared for my constituents with compassion.

As the daughter of a parent who struggled with opioid substance use disorder, I know firsthand that we need to invest in these support systems and end the stigma and the criminalization of addiction. People who are battling addiction are not criminals. They are not misbehaving. They are managing a harrowing disease that afflicts them and impacts their family every single day.

Mr. Sackler, yes or no, do you agree that addiction is a disease?

Mr. DAVID SACKLER. I do, yes.

Ms. PRESSLEY. Dr. Sackler, yes or no, do you agree that addiction is a disease?

Dr. KATHE SACKLER. Yes.

Ms. PRESSLEY. Based on documents obtained from the Massachusetts Attorney General, that was not always your family's view, particularly when the opioid crisis was first unfolding and generating bad press for OxyContin. According to an internal email, marked as document 3, on page 4, Dr. Richard Sackler wrote, and I quote, The abusers are misbehaving in a way that they know is a serious crime. They are doing it in complete disregard of their duties to society, their family, and themselves. The notion that this is genetically programmed is nonsense, unquote. He went on to write, quote, "The fact is that many other people have the same tendencies and are not drug abusers; they are criminals," unquote.

Mr. Sackler, do you agree with your father's words that people struggling with addiction are criminals, yes or no?

Mr. DAVID SACKLER. No, I don't. And in the 20—almost 20 years since this was written, I know my father has both apologized for these words and has come—

I'm sorry. Please go ahead.

Ms. PRESSLEY. Reclaiming my time.

In one email, marked as document 2, on page 2, he wrote, quote, We have to hammer on the abusers in every way possible. They are the culprits and the problem. They are reckless criminals, unquote.

Mr. Sackler, who do you believe is the criminal, the person struggling with addiction or the corrupt pharmaceutical executive that has monetized the addiction?

Mr. DAVID SACKLER. Well, I—I don't believe that people struggling with addiction are criminals, though.

Ms. PRESSLEY. Are you—

Mr. DAVID SACKLER. I don't believe—

Ms. PRESSLEY. Are you and your family?

Mr. DAVID SACKLER. No—

Ms. PRESSLEY. I certainly vehemently disagree. I'm going to reclaim my time. And I also just want to take a moment to just acknowledge the equitable outrage which I appreciate from both sides of the aisle about this unjust predatory practice which have decimated communities and destabilized families. I wish that there had been those same sentiments during the crack cocaine epidemic which decimated urban communities and Black families still today.

Blaming people with substance use disorder is shameful. Your family's rhetoric fuels the stigma and harmful policies that have denied people in need the resources they require to overcome their addiction. We do not need another failed war on drugs. What we need is a reckoning and accountability for drug companies who put profits over people and rob us of lives and freedom of our loved ones. You have created a nationwide epidemic. Four-hundred-fifty people have died.

Let me be clear. People struggling with addiction are not criminals. Your family and Purdue Pharma, you are the criminals. You are the ones who disregarded your duties to society, and you should be ashamed of yourselves.

I yield back.

Chairwoman MALONEY. Thank you. The gentlelady yields back.

The gentlewoman from Michigan, Ms. Tlaib, is recognized. Ms. Tlaib.

Ms. TLAIB. Thank you, Chairwoman.

This question line, I would like to have it go toward Mr. Sackler. Just want to make sure he's listening.

Mr. DAVID SACKLER. Yes, I am listening, Congresswoman.

Ms. TLAIB. All right. I want to ask you a few questions about the effects of Evolve to Excellence. I think some of my colleagues had mentioned it, it's a sales campaign that you and your family approved as members of the board. Do you remember that campaign?

Mr. DAVID SACKLER. Yes. It was a management-led initiative.

Ms. TLAIB. Yep, yep. You run the management. So, the sales campaign intentionally targeted high prescribing doctors. And one particular doctor, Dr. 1, he actually was called 290 times between 2010 and 2018. That's more than three times a month for eight years.

Yes or no, is that a lot of sales calls to one doctor, Mr. Sackler?

Mr. DAVID SACKLER. I'm not certain where you're drawing that information from, so I—I can't really comment.

Ms. TLAIB. [Inaudible] some of the lawsuits. This is information—again, you targeted high-prescribing doctors who had folks call them 290 times between the years of 2010 and 2018.

Purdue received three different reports of concern regarding Dr. 1—this is a real case—between 2009 and 2011. In 2009, a local

pharmacist reported Dr. 1 to Purdue, asserting that there were, quote, all kinds of problems with abuse of OxyContin related to Dr. 1.

And, Mr. Sackler, just one year later, a 2010 report highlighted the same doctor, Dr. 1 was nicknamed the candy man, because, quote, she will immediately put every patient on the highest dose of narcotics she can.

Does it trouble you that nearly 300 sales calls were placed to a doctor nicknamed the candy man, Mr. Sackler?

Mr. DAVID SACKLER. Yes, it does, because the board had put in place systems and controls to prevent such things from happening.

Ms. TLAIB. Well, I mean, is that a sign, Mr. Sackler, of an effective anti-diversion program to you?

Mr. DAVID SACKLER. The board was never made aware of this. In fact, the board was—I'm sorry, I don't mean to talk over you.

Ms. TLAIB. Mr. Sackler, I don't mean to talk over you as well, but it's just frustrating because your words don't match the actions. The constant—I've been listening; I'm always the last person to be able to ask questions, so I get to listen to much of your answers. And so just bear with me in my frustration that, again, your answers don't match up. I fully believe you would not be settling these cases out of court unless you were in the wrongdoing. OK.

So, Purdue placed Dr. 1 on a no-call list in August 2010. However, sales representatives were told to resume calling her in October 2011, Mr. Sackler. And they continued to do so until May 2018. Dr. 1 is not an isolated incident. It actually shows the intent of your company, your family's company.

Another doctor, who we can refer to as Dr. 2, was first flagged through his abnormally aggressive targeting practices in 2003, Mr. Sackler. And so then in 2013, the board of medical examiners filed a complaint against this Dr. 2. The complaint described the excessive amount of OxyContin that he prescribed to some patients. He wasn't—it wasn't until April 2013, a full 10 years after it was initially flagged, that Dr. 2 was added to the do-not-call list. Between 2007 and 2013, Purdue sales representatives called Dr. 2—guess what, Mr. Sackler—146 times.

But the story doesn't end there. Purdue sales representatives removed Dr. 2 from the do-not-call list. Can you believe that? But still, they called him 117 times between 2015 and 2018.

So, Mr. Sackler, you sat—and, again, you are responsible here, because you sat on Purdue's board of directors while the company turned a blind eye to the dangerous practices and worked around these crucial safeguards.

Did you take any action to prevent the company sales reps from calling dangerous prescribers like Dr. 1 and Dr. 2?

Mr. DAVID SACKLER. Yes. I believe the record clearly demonstrates that the board took a significant number of steps to prevent the exact thing that you're reading. And I am frustrated and disappointed that they may have come up short, but I think—

Ms. TLAIB. Yes. I mean, frustration and disappointment's great, but I think you need to pay up, and you need to really be held accountable for the fact that you all turned a blind eye or just pretended that you didn't know, but you benefited from it because you saw the money still continue to come in.

The blame for producing dangerous sales tactics rests squarely with the Sackler family. You know it. That's your family's name. And

[inaudible] the Sackler family established clear goals: They wanted more sales of prescription opioids at higher strengths. They incentivized it, for sales reps to meet those expectations.

If someone, Mr. Sackler, in my district was caught flooding my district with opioids, we know damn well that they would be tried and locked up. They would be thrown into jail.

So, my question is, why is it OK that people like you, who are directly responsible for causing a national opioid addiction pandemic, people who are directly liable for hundreds of thousands of lives lost, are instead rewarded with millions of dollars in salary and walk free? You're using our bankruptcy process and everything to walk free.

People at the top of this company, including those testifying today, Madam Chair, should pay billions in compensation to families they devastated and serve time proportionate to the crisis they unleashed. That is being held accountable for deaths.

These are family members, Mr. Sackler. Not enough apologies or words are going to make up for it. You all have to not only pay for it, but you all have to be treated equally as anybody, again, in my district that would be doing the same thing you all just did.

Thank you. I yield.

Chairwoman MALONEY. The gentlelady yields back.

And at the request of one of the witnesses, we're going to take a 10-minute recess. We will reconvene in 10 minutes, at the request of one of the witnesses.

[Recess.]

Chairwoman MALONEY. The committee will come to order.

And I recognize the gentlelady from the great state of Florida. Ms. Wasserman Schultz is now recognized.

Ms. Wasserman Schultz?

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

Around the time I was elected to Congress in 2004, south Florida was overrun by pill mills, so-called clinics where anyone with cash could walk away with dangerously addictive opioids. From August 2008 to November 2009, on average, a new pain clinic opened in Broward County, my home county, and Palm Beach County every three days. These pill mills caused suffering and death in my district and across the country.

Dr. Sackler, while you were on the board of directors, Purdue Pharma kept detailed records on everyone who prescribed Purdue products as part of its Abuse and Diversion Detection Program. Is that correct?

Dr. KATHE SACKLER. I'm sorry, I didn't hear that. Can you please repeat that? I beg your pardon.

Ms. WASSERMAN SCHULTZ. Madam Chair, if I could have the time restored.

What did you not hear?

Dr. KATHE SACKLER. I don't know what I didn't hear, because I didn't hear it. I'm having a little trouble hearing, and there was noise in the background, and I couldn't hear.

Ms. WASSERMAN SCHULTZ. OK. I don't have noise in my background.

Dr. Sackler, while you were on the board of directors, Purdue Pharma kept detailed records on everyone who prescribed Purdue products as part of its Abuse and Diversion Detection Program. Is that correct?

Dr. KATHE SACKLER. The Abuse and Diversion Program, yes. Yes. I would—I guess.

Ms. WASSERMAN SCHULTZ. OK.

If the data suggested high-volume prescribers were abusing or diverting prescriptions, they were placed on the Region Zero list, meaning that Purdue sales representatives should not continue to call the prescriber.

Are you familiar with the Region Zero list?

Dr. KATHE SACKLER. I'm not familiar with that program. That program was overseen and managed by the legal department. The board did, however, have reports from the legal department about the program.

Ms. WASSERMAN SCHULTZ. OK.

Dr. KATHE SACKLER. That's who would know.

Ms. WASSERMAN SCHULTZ. Well, to go through, there were many problems with this Region Zero list, ranging from a lack of timely reporting to the fact that only a small fraction of specific high-volume prescribers ended up on the list.

Purdue even encouraged sales tactics that increased the number of prescriptions filled by prescribers on this do-not-call list. For example, Purdue allowed its agents to call prescribers who worked in the same practice as those on the Region Zero list. Sales representatives would also aggressively market OxyContin to the pharmacies used by high-volume prescribers.

Dr. Sackler, are you familiar with those practices? And don't you think they undermine the efforts—

Dr. KATHE SACKLER. Absolutely not. I am not familiar with those practices, nor were any of those practices ever discussed or reported or mentioned at a board meeting.

Ms. WASSERMAN SCHULTZ. Then I'm going to move on. I'm going to move on to Mr. Sackler.

Dr. KATHE SACKLER. Sorry.

Ms. WASSERMAN SCHULTZ. Mr. Sackler, you sat on the company's board during this time. Is it true that Purdue staff regularly provided updates to the board of directors and he and you and members of your family regarding so-called, quote, "reports of concern" about the abuse of Purdue's prescription opioids?

Mr. DAVID SACKLER. I'm sorry, it is a little bit hard to hear you. Your connection keeps cutting out.

Ms. WASSERMAN SCHULTZ. Madam Chair, I think somebody is not on mute, because I can hear everybody fine and I don't have any noise in my background.

Are you able to hear me, Mr. Sackler?

Mr. DAVID SACKLER. I can now, yes.

Ms. WASSERMAN SCHULTZ. OK.

Chairwoman MALONEY. Will the staff mute everyone so that the Congresswoman can be heard with her questions and Mr. Sackler can be heard? Please mute all the backgrounds.

Ms. WASSERMAN SCHULTZ. Except mine.

OK. Is it true that Purdue staff regularly provided updates to the board of directors, including you and members of your family, regarding so-called, quote, “reports of concern” about the abuse of Purdue’s prescription opioids?

Mr. DAVID SACKLER. I don’t remember those reports of concern that you’re detailing. I don’t remember that at all. I remember reports about the Abuse and Diversion Program in general but not specifically what you’re referring to.

Ms. WASSERMAN SCHULTZ. OK. Let me ask you further questions to jog your memory.

If Purdue Pharma was more proactive in investigating whatever you want to call them, the information that you were being given about the widespread abuse of your own OxyContin prescription opioid, then shouldn’t you have been notifying local medical boards or law enforcement and gotten more engaged, and wouldn’t that have saved lives?

Mr. DAVID SACKLER. I think that that’s a terrific question, and thank you for asking it.

The 2007 settlement with state attorneys general provided within it, as I understand it, the ability for those attorneys general or other law enforcement within the state—

Ms. WASSERMAN SCHULTZ. Reclaiming my time.

Mr. DAVID SACKLER. I’m trying to answer your question. The answer is, yes, we did that; however, some states chose not to avail themselves of the data.

Ms. WASSERMAN SCHULTZ. Reclaiming my time, I’m not asking about what others should have done. I’m asking specifically about whether Purdue should have done more to notify law enforcement and medical regulators about the abuse and the recklessness that your—that providers that you worked with were overprescribing your product.

Mr. DAVID SACKLER. As I understand the ADD Program, there was a process and system in place for doing that. I believe the program, over its life, reported over 200 doctors to relevant authorities. And the data on Region Zero, whether or not those doctors merited reporting, was available to states—

Ms. WASSERMAN SCHULTZ. You’re shirking your own responsibility here. I want to point out—

Mr. DAVID SACKLER. I don’t see—

Ms. WASSERMAN SCHULTZ. Reclaiming my time, Madam Chair.

I want to point out, Purdue Pharma actively thwarted the United States—and this is according to the DEA Assistant Administrator—that Purdue Pharma actively thwarted the United States’ efforts to ensure compliance and prevent diversion.

And, Mr. Sackler, internal documents obtained by the Massachusetts attorney general showed that a significant number of these reports of concern were brought to the board’s attention but never investigated.

And, according to an interview with a Purdue Pharma attorney in 2013, the company only made reports about 154 prescribers, which is about eight percent of your Region Zero data base.

There was a strong financial disincentive for Purdue to shut down pill mills or curb reckless providers. Taking these actions

would have hurt the bottom line. It also would have saved countless lives. When the choice was between profits or people's lives, it's very clear that Purdue Pharma always chose to maximize profits. At best, this behavior is negligent; at worst, it represents a deadly and deliberate strategy that made your family rich while harming hundreds of thousands of people.

Thank you for the indulgence, Madam Chair. I yield back the balance of my time.

Chairwoman MALONEY. I now recognize the gentlewoman from California, Representative Katie Porter.

You are now recognized.

Ms. PORTER. Hello. Mr. Sackler, thank you for joining us today.

In May 2007, Purdue Pharma and three of its top executives pleaded guilty to fraudulently marketing OxyContin.

Do you know how much money your family withdrew from Purdue Pharma in various transactions between 2008 and 2007?

Mr. DAVID SACKLER. I'm sorry, between 2008 and 2007?

Ms. PORTER. Oh, 1917, 1917.

Mr. DAVID SACKLER. OK. I believe that number is a little bit more than \$10 billion, of which half or so was paid in taxes.

Ms. PORTER. Correct, \$10 billion.

Those distributions started off slowly. From 1997 to 2007, in the 10 years prior, your family withdrew a total of \$126 million. Compare that to the next 10 years: \$10.4 billion. All of a sudden, the Sackler family, right around 2007, started really pulling money out of Purdue Pharma.

Mr. Sackler, do you recognize this message?

Mr. DAVID SACKLER. I'm sorry, I'm not sure I can read that. Let me change the WebEx here.

Ms. PORTER. I'll read it to you.

On May 17, 2007, you wrote an email that said, to your family, "What do you think is going on in all these courtrooms right now? We're rich. For how long? Until which suit get through to the family?"

Did you write that email?

Mr. DAVID SACKLER. I believe so, yes.

Ms. PORTER. OK. Mr. Sackler, what was the sudden urgency that, all of a sudden, your company went from stewardship of Purdue Pharma taking out \$120 million over 10 years to \$10.4 billion over 10 years? What happened?

Mr. DAVID SACKLER. Well, I believe the—a few things happened. No. 1, we settled the legal issues that I was concerned about in that email—

Ms. PORTER. Oh, wait. Wait, wait. Reclaiming my time.

Mr. DAVID SACKLER.—in the intervening—

Ms. PORTER. Mr. Sackler, are you suggesting that you kept money in the company while you were facing legal issues and then took it out once you were resolved of legal liability?

Mr. DAVID SACKLER. No. I'm not suggesting that. I am telling you why we did what we did as best I can recall, which—

Ms. PORTER. Mr. Sackler, let me ask you, why should the company not transfer—why should the family not transfer back the \$10.4 billion to be used to pay the creditors in this case, including victims of opioid abuse?

Mr. DAVID SACKLER. Well, for a number of reasons. I think the most important—

Ms. PORTER. Do you not have the money?

Mr. DAVID SACKLER. Ma'am, I'm trying my best to answer one at a time. Would you like me to answer the money—

Ms. PORTER. Yes, please.

Mr. DAVID SACKLER.—Question?

As I said in your opening questioning, of the \$10 billion that you referenced, roughly half went to taxes. So, that money we do not have; it was paid in taxes.

Does that answer your question?

Ms. PORTER. OK. So, you still have—but you still have over \$4 billion that was not paid in taxes. Do you still have that money?

Mr. DAVID SACKLER. We do. We still have that—

Ms. PORTER. And under—

Mr. DAVID SACKLER.—Money.

Ms. PORTER. Reclaiming my time, under the proposed settlement that has been reached with the Department of Justice, which would be the cornerstone of this bankruptcy, how much is your family going to chip in to repay the creditors?

Mr. DAVID SACKLER. I'm sorry, you're considering the DOJ settlement the cornerstone of the—the total settlement offer to creditors has been valued at more than \$10 billion. So, that's the best I can do for you.

Ms. PORTER. OK. Let me help you out.

And, Mr. Landau, perhaps you could ask Mr. Huebner, the bankruptcy attorney, about this.

I have some questions about the Uniform Fraudulent Transfer Act, section 4(a)2.

Before I came to Congress, I was a law professor and wrote this book, "The Law of Debtors and Creditors." It's a bankruptcy law textbook. And UFTA section 4(a)2 makes it a fraudulent transfer to remove money from a corporation without receiving any value. And we all agree, Purdue didn't get anything out of giving the money away to the Sacklers. That didn't help the company; it helped the Sacklers.

And the second factor is that when they took the money out of the company, what was left reasonably should've been—reasonably could've been believed that the debtor would incur an inability to pay the debtor's debts as they come due.

Now, David Sackler wrote this email. Mr. Landau, why are there not fraudulent transfers in this case?

Dr. LANDAU. With respect, Representative, I'm not familiar with the bankruptcy code. I'm a physician. And I think there are many lawyers that have the expertise, including Mr. Huebner, who are actively working on the answers to your questions.

Ms. PORTER. But you do understand that you are the statutory debtor in possession, under 1107, and you have all the fiduciary duties of a trustee in bankruptcy at this time to recover every last dollar that can be recovered for the creditors in this case? The creditors in this case do not include the Sackler family.

Dr. LANDAU. Yes, I do. And I know that there are appropriate individuals—there's a special committee of our board working with

the creditors to resolve all of the transfers made from the company since 2008.

Ms. PORTER. I yield back.

Chairwoman MALONEY. The gentlelady yields back.

Mr. Comer?

Before we adjourn, I want to recognize Ranking Member Comer for any closing remarks and again thank him for his leadership and help, along with Mark DeSaulnier, with this hearing.

Mr. Comer, you're now recognized.

Mr. COMER. Well, thank you, Madam Chair. And I just want to say that it's good for us to hold a hearing where both sides actually agree, and I hope that we could have more of those hearings in the next Congress.

Let me conclude by addressing the topic of this hearing, and let me be direct with the Sackler family.

There's no one in Congress more pro-business than I am. I'm, you know, 99 percent of the time on the side of the risk-takers. I understand that a lot of drug companies get a bad rap, but they invest a lot in research and development, and they're the leading innovators, and we have the greatest healthcare system in the world because of the private-sector healthcare companies that we have in America.

But there are bad actors.

And to the Sackler family and Purdue Pharma, let me be as clear as I can be: You all are bad actors, and there's no excuse for what you did.

In the beginning, you could make the argument that you didn't realize that this drug, which was possibly created to prevent pain, would become addictive and create the havoc that it's created over the past decade. But you did learn that. And you have tried every way in the world to continue to market that product, and you profited all along the way.

Kentucky has one of the highest incarceration state percentages in the Nation per capita. I think it is the highest in the Nation. And the overwhelming majority of people who are incarcerated in Kentucky are there because of drug crimes. They've had to forfeit their assets. They have broken homes. And the cost to society is immeasurable.

But you all have created the same harm to society, yet you're one of the wealthiest families in America.

I hope that the courts hold you accountable. I hope that the states where you are domiciled and where you operate in the future have a watchful eye on you. And I hope that a story like this, a story like yours, never happens again.

With that, Madam Chair, I yield back.

Chairwoman MALONEY. I thank the gentleman.

The gentleman yields back.

I just want to thank all of the panelists and thank the Sackler family for appearing without a subpoena. They came voluntarily.

Thank you for your testimony.

I want to thank all of my colleagues on both sides of the aisle for their insightful and thoughtful questions. And I can assure you, we will have future hearings to make sure, as the ranking member said, that this never happens again.

I want to state that it has always been this committee's mission to focus on the people directly affected by the issues we examine. Since we announced this hearing, the committee received dozens of letters and submissions from individuals and families across the country whose lives have been affected by addiction.

I ask for unanimous consent that these letters and statements be entered into the official record of the hearing.

So, ordered.

Chairwoman MALONEY. Since 1999, nearly half a million lives have been cut short by the opioid epidemic. Millions more have been caught in the stranglehold of addiction. Families and communities, as we have heard from my colleagues today, have been absolutely devastated.

In the Sackler family's version of the story, they are totally blameless, a family caught in the wrong place at the wrong time. They have pointed a finger at so-called bad-apple employees, the FDA, consulting firms, and prescribers. In the past, they even blamed the patients, the people suffering from opioid use disorder, which they fraudulently advertised and paid salesmen to push into pharmacies, into doctors, and into their lives.

So, I'd like to say this clearly to the members of the Sackler family: The committee will not allow you to continue hiding from your part in this devastation. You have played a critical, active role in sparking and fueling the opioid epidemic. You approved and monitored dangerous marketing plans. They directed their sales representatives to focus on the highest-volume prescribers and the strongest version of addictive OxyContin. You targeted vulnerable populations with misleading messages.

And when it began to look like your wealth could be at risk from lawsuits, you moved it out of reach, preventing the money from going to the victims of the crisis they created.

We did not get all of the answers we needed from the Sackler family, but the witnesses have agreed to make additional information available to the committee and to the public: No. 1, you have agreed to provide a full accounting of the shell companies owned by the Sackler family. No. 2, you have agreed to make publicly available all documents in the Sackler family's possession.

Let me close with this. Earlier, Mr. Cooper called you one of the most evil families in America. A lot of people agree with that. You have the ability now to mitigate at least some of the damage you caused.

Please stop hiding and offshoring your assets. Stop nickel-and-diming the negotiators. Make a massive financial contribution that leaves no doubt about your commitment. And, finally, acknowledge your wrongdoing. The families and communities whose lives have been ruined deserve at least that much.

They have taken money out of the company so it would be forever beyond the legal reach of the people they were harming. They are the Bernie Madoffs of medicine.

Adjourned.

Oh, in closing, without objection, all members have five legislative days within which to submit additional materials and written questions for the witnesses to answer, which will be forwarded to the witnesses for their response.

Chairwoman MALONEY. I ask our witnesses to please respond as promptly as you can.

This hearing is adjourned.

[Whereupon, at 12:46 p.m., the committee was adjourned.]

APPENDIX

Statement for the Record by
Massachusetts Attorney General Maura Healey

For the U.S. House of Representatives Committee on Oversight and Reform
Hearing on the Role of Purdue Pharma and the Sackler Family in the Opioid Epidemic
December 17, 2020

Chairwoman Maloney and Members of the Committee:

Thank you for holding this important hearing.

I am grateful for the opportunity to submit this statement on behalf of the families and survivors who have been calling for justice in the opioid crisis for so long.

For the mothers, fathers, and extended family who expended every effort to find treatment for a loved one, confronted the stigma of addiction, who spent sleepless nights worrying about a son or daughter, and who grieve for a life cut short.

For people in recovery, who struggled to find a treatment bed, who saw their peers overdose or die, and who have committed themselves to helping others.

These are our friends, colleagues, and neighbors, who have felt the loss in their own families and communities, and who have organized, protested, packed courthouses, and demanded answers.

In Massachusetts, and across the nation, they have channeled their grief, and their passion for justice and accountability, into inspiring action.

Today, I also speak directly to the families and survivors: We are listening to you. Attorneys General are listening. The Members of this Committee are listening. We learned from you that the opioid crisis is a matter of life and death.

When I ran for Attorney General, people across Massachusetts, in town after town, told me intensely personal stories about how their lives had been upended by the opioid epidemic. Stories of families who had suffered loss and had nowhere else to turn.

A crisis so deadly that, in Massachusetts, we lose more than five people a day.

Something had to be done. This crisis became my top priority.

I began investigations into the companies and executives that controlled the opioid industry. We built our case from the ground up. We studied death certificates; we questioned drug company sales reps; and we reviewed thousands of pages of documents that had been kept secret until we brought them to light.

In 2018, Massachusetts became the first state to sue members of the Sackler family and other directors and executives who controlled Purdue.

On that day, I was proud and humbled to be surrounded by family members who have been in this fight, and who continue the important work in our Commonwealth to address the damage of this opioid epidemic.

Since then, dozens of states have sued the Sacklers, and more than a hundred thousand people have filed claims for injuries caused by Purdue.

We are taking steps toward accountability, but what we have seen so far is nowhere near the accountability the public deserves. Here's what we need to do to finish the job.

First, accountability requires revealing the facts. The companies and executives that got rich from the opioid crisis relied on keeping the facts secret. They relied on settlements, confidentiality agreements, and court orders to withhold information from the public. Meanwhile, as important evidence was covered up, hundreds of thousands of Americans died. That secrecy is not acceptable.

The way to stop dangerous, illegal behavior is to expose it. We need to take millions of pages of evidence from companies like Purdue and put it on the internet. To protect ourselves as a society, we need elected officials, regulators, scholars, journalists, and the public to see what the perpetrators of the opioid epidemic did. The people who were hurt by opioid companies deserve to know the truth. And we need the executives who made the decisions at companies like Purdue to answer questions in public under oath.

Second, accountability requires consequences for individuals who break the law, not just fines paid by corporations. In 2007, when Purdue was convicted of misleading doctors about OxyContin, it got off by paying a fine. At that time, Congress held a hearing about Purdue and expressed concern that fining the company would not deter its executives from breaking the law. A Senator called the fine a "license for criminal misconduct."

Those Senators were right. It happened again. Now Purdue has admitted that it continued to commit crimes for another decade after that 2007 conviction. And what did the Justice Department do? It asked Purdue and the Sacklers to pay another fine. DOJ asked the Sacklers to pay back less than 2% of their reported wealth. No individual was charged, or put on trial, or sent to prison. That is not good enough.

When ordinary citizens break the law, they are held accountable. What happened here?

Purdue misused a corporate bankruptcy to block law enforcement against billionaires who are not bankrupt. That is not allowed in many bankruptcy courts across the nation, and it should not be allowed in any of them.

And the Justice Department prosecuted the company at the center of a national crisis without charging any actual people for the crimes. We need DOJ to do better than that.

Third, accountability requires that Purdue be shut down, not propped up by the government.

Federal law requires that criminal companies must be excluded from doing business with government health care programs. That punishment is an important way to deter crime, and to protect the public from convicted criminals.

In 2007, the federal government made an exception to let Purdue Pharma stay in business.

Now the Sacklers want special treatment again: they want Purdue's OxyContin business to be preserved as a public trust. They want state and local governments to be in the business of owning an opioid company.

That's offensive and wrong. Families in Massachusetts and across the nation are ready to see Purdue shut down for good. We do not need Purdue to become a government-sponsored opioid business.

Those are the three points that I want to emphasize to the Committee today.

As I said at the start, this is a matter of life and death and justice.

In 2007, prosecutors built a case against Purdue and its executives, but they were not allowed to take it to trial. Our nation paid the price, including thousands of people who should still be alive today.

What we do now matters. If we let powerful people cover up the facts, avoid accountability, or create a government-sponsored OxyContin business — that's not justice. This time, we have to get it right.

Respectfully,



MAURA HEALEY
Massachusetts Attorney General

October 14, 2020

The Honorable William P. Barr
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Ave. NW
Washington, D.C. 20530

Dear Attorney General Barr:

We write to ask you to revise a proposed DOJ settlement agreement that reportedly would wrongly mandate that Purdue Pharma's infamous OxyContin business be preserved as a public trust. A business that killed thousands of Americans should not be associated with government. Instead, the business should be sold to private owners, so the government can enforce the law against it with the same impartiality as for any other company.

States sued Purdue Pharma and its billionaire owners, the Sacklers, because their illegal conduct caused much of the national opioid crisis. Their misconduct also forced the company into bankruptcy, and the States and DOJ are participating in the bankruptcy case with the shared goals of distributing Purdue's assets to compensate people who were injured and to abate the opioid epidemic.

A key issue in the bankruptcy is the future of Purdue's OxyContin business. Purdue and the Sacklers proposed that the government should step into their shoes and take over their business of selling OxyContin. They want their OxyContin company preserved as a family legacy and a "public trust." Purdue explained: "We're turning [the company] into a public trust organization ... It sells a very valuable product called OxyContin."¹

We rejected Purdue's proposal. We believe that Purdue's assets should be sold to new owners in the private sector. The role of government in any OxyContin business should be to enforce the law, just as against any other company. The public deserves assurance that no opioid business is given the special protection of being placed under a public umbrella. Although it may take time to find a private sector buyer, the public should be confident that public officials are seeking to avoid having special ties to an opioid company, conflicts of interest, or mixed motives in an industry that caused a national crisis.

In the recent bankruptcy of another notorious opioid company, the assets of Insys Therapeutics Inc. were sold to a private buyer, pursuant to court approval, and our governments were not forced to enter the opioid business.² That is a normal, lawful result in a bankruptcy, and the DOJ should encourage Purdue to follow that same path. Compared to Purdue's proposal, selling the

¹ Berkeley Lovelace Jr., *Purdue Pharma chair: Best Way To Fight Opioid Crisis Is For OxyContin Maker To Stay In Business*, CNBC, Sept. 16, 2019, at <https://www.cnbc.com/2019/09/16/purdue-pharma-chairman-steve-miller-on-bankruptcy-of-oxycontin-maker.html>.

² See Nate Raymond, *Drugmaker Insys Wins Bankruptcy Court Approval To Sell Off Opioid*, Reuters, Sept. 19, 2019, at <https://www.reuters.com/article/us-insys-opioids-bankruptcy/drugmaker-insys-wins-bankruptcy-court-approval-to-sell-off-opioid-idUSKBN1W42KY>.

business to a private owner may also deliver more upfront money that cities and States can use to abate the opioid epidemic. At least one potential buyer has already come forward to make a bid to buy Purdue's drug businesses, which would keep the businesses in private ownership. Qualified buyers should be permitted to bid for Purdue's assets.

Instead, the press has reported that DOJ intends to sign agreements that would purport to prohibit the sale of Purdue's businesses to private owners, and would require that Purdue be preserved as a "public benefit company" that will sell OxyContin on behalf of cities and state governments.³

We ask you to reverse that decision for three reasons. First, as we explained above, the Sacklers' proposal to cloak the OxyContin business in public ownership compromises the proper roles of the private sector and government. Thousands of Americans have died, and it is a top priority of every State to enforce the law against the perpetrators whose misconduct caused the opioid crisis. The last business our States should protect with special public status is this opioid company.

Second, even if DOJ disagrees with the principles that keep government out of the opioid business, DOJ should not impose its view on States, cities, families, and all other stakeholders in the bankruptcy. Instead, the relevant parties in the bankruptcy should be permitted to negotiate without DOJ putting its thumb on the scale.

Third, the States will continue to oppose the Sacklers' plan. When a plan is proposed in the bankruptcy, States and all other creditors can vote against a plan they believe is wrong. Even after that, because the Sacklers seek extraordinary releases of the States' claims for their individual, personal liability, States have powerful arguments to challenge the confirmation of the Sacklers' plan in the Bankruptcy Court and every court above it.⁴

There is no need for DOJ to require a special status for the Sackler's OxyContin business. If DOJ insists that the Sacklers get their way and their OxyContin business is elevated into a public trust, Americans will question whether billionaires bought special treatment in this case, while working families across the country suffered.

³ Mike Spector & Jessica DiNapoli, *OxyContin Maker Purdue Nears Guilty Plea Agreement In U.S. Criminal Probe - Sources*, Reuters, Oct. 7, 2020, at <https://www.reuters.com/article/us-purdue-pharma-investigations-opioids/exclusive-oxycontin-maker-purdue-nears-guilty-plea-agreement-in-u-s-criminal-probe-sources-idUSKBN26S1P2> ("The Justice Department is prepared to waive a large portion of its \$2 billion forfeiture claim as long as Purdue meets certain conditions. The first is that Purdue steer significant financial sums for combating the opioid epidemic to U.S. communities suing it over the crisis, two people said. The other is that it receive court approval for a reorganization plan transforming it into a 'public benefit company' run on behalf of those communities and no longer controlled by the Sacklers."). The same article also reported that details of the proposed settlement "remain in flux."

⁴ States and the DOJ agree that bankruptcy courts should never force governments to release these claims. See Brief for the United States as Amicus Curiae at 12, *Lynch v. Mascini Holdings, Ltd. (In re Kirwan Offices S.a.R.L.)*, Case No. 18-3371 (2d Cir. Oct. 7, 2019) ECF No. 119 ("third-party releases are impermissible"); *id.* at 15 n.3 ("Moreover, the government's view is that, even assuming that releases may be appropriate in certain circumstances, no such releases should ever apply to the government, as its interests are distinct from those of ordinary creditors or other outsiders who may have claims against participants in the bankruptcy process. For example, no bankruptcy court order should release non-debtors from their obligations under criminal laws, tax laws, environmental laws, or other public health and safety laws....").

We ask you to work with us to keep the OxyContin business in the private sector, secure money to abate the crisis, and hold the perpetrators accountable.

Respectfully,



XAVIER BECERRA
California Attorney General



PHILIP J. WEISER
Colorado Attorney General



WILLIAM TONG
Connecticut Attorney General



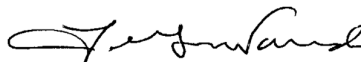
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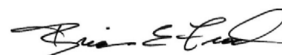
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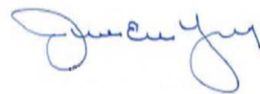
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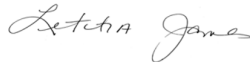
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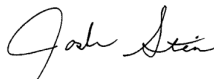
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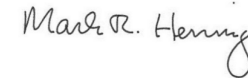
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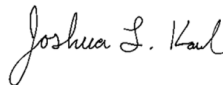
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