

Billionaire family 'on verge of deal' over opioid - Times, The (London, England) - October 6, 2020 - page 32

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Members of the Sackler family, whose pharmaceutical company profited from the painkillers blamed for fuelling America's opioid crisis, could be shielded from prosecution and permitted to keep part of their fortune under a deal being hammered out in a New York bankruptcy court.

Purdue Pharma, which began producing OxyContin in 1995 and marketing it aggressively, faces thousands of lawsuits over its role in the opioid epidemic. The medication was widely prescribed for pain relief but some users became addicted and a black market for opioids developed. An estimated 450,000 people died from overdoses from 1999 to 2018.

The Sacklers have chosen a bankruptcy court in the suburbs north of New York city as the venue for negotiations over a possible settlement. The company registered to conduct litigation there six months before declaring bankruptcy, according to court papers.

Judge Robert Drain ordered a halt to pending litigation against both the company and members of the Sackler family. Some observers argue that the broad powers of US bankruptcy law could allow family members to retain their personal wealth and avoid prosecution and litigation.

"The Sacklers would walk away with an estimated several billion in OxyContin profits," said Ralph Brubaker, a professor of bankruptcy law, in a joint editorial for The New York Times with Gerald Posner, the author of a book on the pharmaceutical industry. They argued that the Sacklers were offering a \$3 billion settlement and using as leverage the prospect, if a deal was not reached, of costly bankruptcy proceedings that could drag on for years.

An audit filed with the court last year found that members of the Sackler family had withdrawn more than \$10 billion from Purdue between 2007 and 2018 and transferred it overseas. Purdue has said its settlement, with other assets beside a cash payment, is worth \$10 billion.

Judge Drain reacted angrily to suggestions "that this case's purpose is to let the Sacklers get away with it", telling parties that they should not be guided by "some idiot reporter" or "misguided law professor".

Lawyers for some victims said that the injunction protecting the company and the family from litigation could stop any "credible accounting of the Sacklers' role in the crisis before they are granted immunity".

Purdue is also negotiating with the Department of Justice to resolve federal lawsuits. It did not respond to a request for comment.

A spokesman for members of the Sackler family said that they were "actively engaged in a process

that we hope will quickly provide substantial resources to communities in need". The process would "clearly demonstrate that members of the Sackler family who served on Purdue's board conducted themselves properly."

CITATION (APA STYLE)

Pavia, W. (2020, October 6). Billionaire family 'on verge of deal' over opioid charges. *Times, The (London, England)*, p. 32. Available from NewsBank: Access World News: <https://infoweb.newsbank.com/apps/news/document-view?p=AWNB&docref=news/17DF11AD8A154C80>.

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