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State of Utah Division of Consumer Protection

DANIEL O'BANNON
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MEDIA ADVISORY

"State of Utah claims against Kathe and Richard Sackler survive Motion to Dismiss in Purdue Pharma administrative case"

"Utah Division of Consumer Protection able to proceed in holding two Sackler family members accountable for alleged role in opioid epidemic"

(For immediate release...)

SALT LAKE CITY – Daniel O'Bannon, Director of the Utah Division of Consumer Protection, announced today that the State of Utah, Division of Consumer Protection will be able to move forward on claims brought against Kathe and Richard Sackler ("the Sacklers"), who were named in the Division's administrative citation (or complaint) against Purdue Pharma in January 2019. The Division of Consumer Protection prevailed on all but one claim in a motion to dismiss filed by the Sacklers in the proceeding. Purdue Pharma's motion to dismiss was similarly denied on June 20, 2019.

The 42-page order on the motion to dismiss found that the Division's allegations that the Sacklers personally directed deceptive conduct by opioid manufacturer Purdue Pharma are sufficient to make out the Division's claims, and that the Sackler family members are not shielded from liability for their role in Purdue's alleged deceptive practices and misrepresentations. The Order also found that Utah can exercise personal jurisdiction over Kathe and Richard Sackler even if they did not personally engage in marketing to consumers inside the state, because according to the Division's allegations, Purdue's "deceptive marketing and opioid sales were funneled into Utah at the direction of the Sackler Respondents" and directly impacted Utah consumers. This is the first order finding personal jurisdiction over the Sacklers outside of their home state.

"This ruling is an important step forward in holding those responsible for violating Utah law which has damaged millions of lives," stated Daniel O'Bannon, Division Director.

As a matter of reference in this administrative case, Utah has seen a direct impact on public mortality from the opioid crisis, ranking 7th highest in the nation for drug overdose deaths from 2007 to 2015. Also noted in the action, the opioid epidemic has cost the State of Utah \$524M annually, according to the [American Enterprise Institute](#).

The State's claims will be heard at an administrative hearing in February 2020.

The Order comes following the State, through the Utah Division of Consumer Protection, filing an administrative action in January 2019 against Purdue Pharma L.P., Purdue Pharma Inc., The Purdue Frederick Company, and the Sackler family members in an effort to hold the opioid company and its executives accountable for their violations of law. The administrative proceeding for violations of the *Utah Consumer Sales Practices Act* allows the State to promptly seek to prove its claims and seek a judgment, injunctive relief and fines.

As part of the administrative action, the Division formally cited Kathe and Richard Sackler on January 25, 2019, asserting that Purdue and the Sackler family members engaged in violative conduct in promoting sales while misleading the public about the risks associated with opioid drugs. Specific assertions made by the Division included that the defendants gave \$200,000 in gifts and other payments to prescribers between 2013 and 2017, employed 186 sales representatives in Utah, and visited 5,000 prescribers in their medical offices for direct marketing. The Division also alleged that the respondents concealed their conduct by controlling misleading promotions pushed by sales representatives in Utah and throughout the nation, disseminating misstatements through media and physician guidelines, controlling misleading marketing mischaracterizing the risks and benefits of Purdue's products, sponsoring training where opioid addictions were misrepresented as rare, and aiding in the misleading promotion of 12-hour dosing "as providing 12 continuous hours of pain relief with each dose."

Read the full Order on the Motion to dismiss of the Sackler Respondents here; bit.ly/30Qbfij and Purdue here; bit.ly/2Sz4IWz

More information about the Utah Division of Consumer Protection is available here: www.consumerprotection.utah.gov

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