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**FILED**  
ALAMEDA COUNTY

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XAVIER BECERRA  
Attorney General of California  
NICKLAS A. AKERS  
Senior Assistant Attorney General  
JUDITH FIORENTINI  
Supervising Deputy Attorney General  
MICHELLE BURKART (SBN 234121)  
TIMOTHY D. LUNDGREN (SBN 254596)  
LAUREL M. CARNES (SBN 285690)  
RENE JUDKIEWICZ (SBN 141773)  
NIMA RAZFAR (SBN 253410)  
STEPHANIE YU (SBN 294405)  
KETAKEE KANE (SBN 291828)  
Deputy Attorneys General  
300 S. Spring Street, Suite 1702  
Los Angeles, CA 90013  
Telephone: (213) 269-6357  
Fax: (213) 897-2802  
E-mail: michelle.burkart@doj.ca.gov  
*Attorneys for the People of the State of California*

**NO FEE PURSUANT TO  
GOVERNMENT CODE §6103**

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF ALAMEDA

**THE PEOPLE OF THE STATE OF CALIFORNIA,**  
  
Plaintiff,  
  
v.  
  
**MCKINSEY & COMPANY, INC., UNITED STATES,**  
  
Defendant,

Case No. *RG21087649*  
**COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF**  
  
(BUS. & PROF. CODE, §§ 17200 et seq. and 17500 et seq.)

Plaintiff, the People of the State of California ("Plaintiff" or the "People"), acting by and through Xavier Becerra, Attorney General of the State of California, is informed and believes and thereupon alleges as follows:

1 **I. PARTIES**

2 1. Plaintiff is the People of the State of California.

3 2. The People bring this action, by Xavier Becerra, Attorney General of the State of  
4 California, pursuant to California Business and Professions Code Sections 17200 et seq. and  
5 17500 et seq.

6 3. Defendant McKinsey is a privately owned entity headquartered in New York, N.Y.  
7 At all times relevant to this proceeding, McKinsey has transacted and continues to transact  
8 business throughout California, including in Alameda County.

9 **II. JURISDICTION AND VENUE**

10 4. This Court has original jurisdiction over this action pursuant to article vi, section  
11 10 of the California Constitution.

12 5. This Court has jurisdiction over Defendant McKinsey and Company, Inc., United  
13 States (hereinafter referred to as “McKinsey” or “Defendant”) because McKinsey transacted  
14 business within the County of Alameda and elsewhere in the state of California at all times  
15 relevant to this Complaint.

16 6. Venue for this action properly lies in this Court pursuant to Code of Civil  
17 Procedure section 395.5 because Defendant transacts business in California or some of the  
18 transactions upon which this action is based occurred in California, including the County of  
19 Alameda.

20 **III. FACTUAL ALLEGATIONS**

21 7. Beginning in the mid-1990s, opioid manufacturers pursued aggressive sales  
22 strategies to increase sales of their prescription opioids, a plan that resulted in a dramatic rise in  
23 opioid prescriptions in California. The rise in opioid prescriptions caused an equally devastating  
24 rise in opioid abuse, dependence, addiction, and overdose deaths.

25 8. Prescription opioids continue to kill thousands of people across California every  
26 year. Thousands more suffer from negative health consequences short of death and countless  
27 others have had their lives ruined by a friend or family member’s addiction or death. Every  
28 community in California suffers from the opioid crisis of addiction and death.

1           9.       McKinsey worked with entities involved in manufacturing and selling opioids and  
2 thereby contributed to the opioid crisis.

3           10.       McKinsey is one of the world's largest consulting companies. Its partners work  
4 worldwide for corporations and governments across diverse industries. Its influence is vast  
5 because of its best-in-class reputation. McKinsey sells the notion that it can take whatever a  
6 company or government is doing and make them do it better.

7           11.       The State brings this action against McKinsey for the consulting services it  
8 provided to opioid companies in connection with designing the companies' marketing plans and  
9 programs that helped cause and contributed to the opioid crisis. McKinsey sold its ideas to  
10 OxyContin maker Purdue Pharma, L.P. ("Purdue") for more than fifteen years, from 2004 to  
11 2019, including before and after Purdue's 2007 guilty plea for felony misbranding.

12          12.       McKinsey advised Purdue and other manufacturers to target prescribers who write  
13 the most prescriptions, for the most patients, and thereby make the most money for McKinsey's  
14 clients.

15          13.       Early in their relationship, McKinsey advised Purdue that it could increase  
16 OxyContin sales through physician targeting and specific messaging to prescribers. These  
17 McKinsey strategies formed the pillars of Purdue's sales tactics for the next fifteen years.

18          14.       In 2008, McKinsey worked with Purdue to develop its FDA mandated risk  
19 evaluation and mitigation strategy ("REMS"). McKinsey advised Purdue to "band together" with  
20 other opioid manufacturers toward a class REMS to "formulate arguments to defend against strict  
21 treatment by the FDA." Ultimately, the FDA adopted a class-wide REMS that resulted in high-  
22 dose OxyContin remaining subject to the same oversight as lower-dose opioids.

23          15.       In 2009, Purdue hired McKinsey to increase "brand loyalty" to OxyContin.  
24 McKinsey recommended the best ways to ensure loyalty to the brand by targeting specific  
25 patients, including patients new to opioids, and developing targeted messaging for specific  
26 prescribers.

27          16.       Purdue thereafter adopted McKinsey's proposed prescriber messaging and patient  
28 targeting advice and incorporated them into Purdue's marketing and sales strategies.

1           17.     In 2013, McKinsey conducted another analysis of Oxycontin growth opportunities  
2 for Purdue, and laid out new plans to increase sales of OxyContin. Among the key components of  
3 McKinsey's plan adopted by Purdue were to:

4           (a)     focus sales calls on high-volume opioid prescribers, including those who  
5 wrote as many as 25 times as many OxyContin scripts as their lower volume  
6 counterparts;

7           (b)     remove sales representative discretion in target prescribers;

8           (c)     focus Purdue's marketing messaging to titrate to higher, more lucrative  
9 dosages;

10          (d)     significantly increase the number of sales visits to high-volume prescribers;  
11 and,

12          (e)     create an "alternative model for how patients receive OxyContin,"  
13 including direct distribution to patients and pharmacies, to help address the  
14 "product access" problem.

15          18.     Purdue approved McKinsey's plan, and together with McKinsey, moved to  
16 implement the plan to "Turbocharg[e] Purdue's Sales Engine," under the name Evolve 2  
17 Excellence ("E2E"). E2E significantly increased Purdue's opioid sales, in particular, for  
18 OxyContin.

19          19.     McKinsey partners participated as part of an Executive Oversight Team and  
20 Project Management Office, reporting to Purdue's Executive, the Purdue board, and with the  
21 Sacklers, individually. McKinsey worked side by side with Purdue and helped Purdue plan and  
22 implement E2E, assisting with sales representative training, productivity, messaging, and call  
23 plans, IT systems, promotional strategies, and market forecasting.

24          20.     In developing the targeted messaging to increase sales of OxyContin, McKinsey  
25 conducted significant market research, including through ridealongs with Purdue sales  
26 representatives to learn how they promoted OxyContin. McKinsey carefully monitored Purdue  
27 sales representatives and provided guidance on prescriber messaging and adhering to target  
28 prescriber lists. McKinsey advised that sales representatives do more to promote the so-called

1 abuse deterrent properties of a reformulated version of OxyContin to address prescriber concerns  
2 about abuse risk.

3 21. When a large pharmacy chain took steps to scrutinize suspicious opioid orders,  
4 McKinsey stressed to Purdue's owners the "need to take action" on this "urgent" issue affecting  
5 OxyContin. McKinsey told Purdue's owners to engage in senior level discussions with the  
6 pharmacy chain, increase efforts with patient advocacy groups to clamor against dispensing  
7 limits, and accelerate considerations of an alternative distribution channel, such as delivering  
8 OxyContin directly to patients through mail-order pharmacies.

9 22. After E2E, McKinsey continued to work with Purdue, including on a project that  
10 identified the growing addiction crisis as a profit-making opportunity. McKinsey told Purdue that  
11 it should strive to become a provider across the spectrum of drug abuse and addiction because of  
12 the opportunities it presented. McKinsey advised Purdue to get into the manufacturing and  
13 marketing of opioid rescue and treatment medications in order to profit from the realities of  
14 dependence, addiction, and abuse. Indeed, in 2018, Purdue owner Dr. Richard Sackler received a  
15 patent for a drug to treat opioid addiction.

16 23. McKinsey also partnered with Purdue to test a program called FieldGuide, a  
17 proprietary software that McKinsey sought to license to other manufacturers. This software would  
18 enable other opioid manufacturers to target and aggressively pursue high-volume prescribers.

19 24. McKinsey continued to design and develop ways that Purdue could increase sales  
20 of OxyContin well after the opioid epidemic peaked. One proposal McKinsey recommended was  
21 for Purdue to pay "additional rebates on any new OxyContin related overdose or opioid use  
22 disorder diagnosis." McKinsey advised Purdue on its strategies to obtain and maintain broad  
23 formulary coverage for OxyContin with insurers and pharmacy benefit managers, even as payors  
24 began reducing coverage for OxyContin as the opioid crisis mounted.

25 25. Subsequently, in the wake of hundreds of thousands of opioid deaths and  
26 thousands of lawsuits, McKinsey proposed a plan for Purdue's exit from the opioid business  
27 whereby Purdue would continue selling opioids as a way to fund new Purdue ventures. According  
28

1 to McKinsey, this change was necessary because of the negative events that materially  
2 compromised the Purdue brand.

3 26. McKinsey's work for opioid manufacturers extended beyond Purdue. McKinsey  
4 collected millions of dollars designing and implementing marketing programs for the country's  
5 largest opioid manufacturers, including Johnson & Johnson and Endo, increasing the sale and use  
6 of opioids in California. McKinsey designed and implemented for other opioid manufacturers  
7 marketing plans similar to those it created for Purdue.

8 27. At the same time McKinsey was working for opioid companies, McKinsey also  
9 consulted with governments and non-profits working to abate the raging opioid crisis-a crisis that  
10 McKinsey's own research showed was caused in large part by prescription opioids.

11 28. There are indications that individuals at McKinsey considered destroying or  
12 deleting documents related to their work for Purdue.

13 29. In 2019, McKinsey announced that it no longer worked for Purdue or other opioid  
14 manufacturers. But the harm created by McKinsey's marketing plans for opioid manufacturers  
15 has not stopped.

16 30. Opioids have killed thousands in California, and continue to ravage the lives of  
17 many more, creating one of the largest public health epidemics in the country's history.  
18 Economically, the toll is equally grim. The opioid crisis has forced California to pay billions of  
19 dollars for increased costs in health care, child welfare, criminal justice, and many other programs  
20 needed to abate the epidemic.

21 31. Months after McKinsey stopped its opioid work, Purdue filed for bankruptcy.  
22 More than a hundred thousand individuals filed claims for personal injuries. States and local  
23 governments filed claims for trillions of dollars incurred as a result of the opioid crisis. Another  
24 McKinsey client, opioid manufacturer Mallinckrodt plc, similarly filed for bankruptcy protection  
25 in October 2020.

26 32. In 2019, an Oklahoma state court found that McKinsey client Johnson & Johnson  
27 helped cause the opioid epidemic in Oklahoma, ordering it to pay \$465 million to help abate the  
28 crisis.



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- (a) Defendant's actions constitute multiple violations of Business and Professions Code section 17500 as alleged in the First Cause of Action, which allegations are incorporated herein as if set forth in full.
- (b) Defendant, in the course of its business, has unfairly worked with certain of its opioid manufacturing clients to aggressively promote and sell more opioids to more patients for longer periods of time.


**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff prays that:

- 1. An injunction be issued pursuant to Business and Professions Code sections 17203 and 17535 restraining and enjoining Defendant and its agents, employees, and all other persons or entities, corporate or otherwise, in active concert or participation with any of them, from violating Business and Professions Code sections 17200 et seq. or 17500 et seq.
- 2. The Court award such monetary relief as provided by law.
- 3. The Court Order Defendant to pay Plaintiff's costs.
- 4. Plaintiff is given such other and further relief as the nature of this case may require and that this Court deems equitable and proper to fully and successfully dissipate the effects of the alleged violations of Business and Professions Code sections 17200 et seq. and 17500 et seq.

Dated: February 3, 2021

Respectfully Submitted,  
  
XAVIER BECERRA  
Attorney General of California

  
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NICKLAS A. AKERS  
Senior Assistant Attorney General  
*Attorneys for the People of the State of California*