

Federal bankruptcy judge grants Sackler family sweeping immunity in \$4.3 billion opioid settlement

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In an example of class justice, the billionaire Sackler family, which fueled and profited immensely from the opioid epidemic through its company Purdue Pharma and its OxyContin medication, was handed immunity last week from all future opioid lawsuits by federal bankruptcy Judge Robert Drain in White Plains, New York. The ruling affirms the capitalist right to profit regardless of the cost in lives.

More than 100 people die in the US every day from opioid overdoses, with preliminary Centers for Disease Control and Prevention (CDC) numbers putting the number of deaths for 2019 at nearly 50,000, an all-time high.

Judge Drain's decision is part of a \$4.3 billion bankruptcy settlement that involved the Sacklers' selling their pharmaceutical holdings and forfeiting ownership of Purdue Pharma. The ruling, which is exactly what the Sacklers demanded, grants releases from liability for harm caused by the company's aggressive and sometimes illegal marketing of the discontinued opioid OxyContin and other opioids. This marketing entailed a coordinated campaign to get doctors to prescribe opioids for everyday chronic pain, which also included bribes to doctors.

In addition to the Sacklers themselves, hundreds of individuals and organizations associated with the Sacklers, such as lobbyists, financial advisors, public relations firms, law firms, drug-makers and laboratories, as well as the Sacklers' remaining business empire, are also granted immunity.

The immunity deal effectively shuts down any further investigation into the role played by the Sacklers and their hundreds of associates in the opioid epidemic, despite the fact that there is extensive documentation of

the Sackler family's involvement in Purdue's operations in and profiting from the opioid epidemic, with Richard Sackler playing a key role in the marketing of the drug as an executive and even afterwards as late as 2012, while former board member Kathe Sackler bragged about coming up with the idea for OxyContin.

The Sacklers moved billions from Purdue before the deal, stashing it into other investments and offshore bank accounts that cannot be touched in the settlement.

The Department of Justice (DOJ) alleged in 2020 that the Sacklers committed "fraudulent transfer" as part of a scheme to "hinder future creditors," and the family settled these allegations to the tune of \$225 million while denying any wrongdoing in that case as well.

The DOJ filed two legal briefs condemning the release from liability provided to the Sacklers and their associates in the bankruptcy deal on constitutional grounds, arguing that people with potential claims against the Sacklers would be deprived of their right to due process without legal review or compensation.

Purdue Pharma and its attorneys launched a pressure campaign against the DOJ aimed at convincing them to not challenge the plan, with an early draft of a letter from this campaign being obtained by National Public Radio.

For all of the death attributable directly to the Sacklers' leadership of Purdue, which pleaded guilty to criminal wrongdoing in its marketing of OxyContin both in 2007 and 2020, not even an apology was issued, and the Sacklers deny any wrongdoing. Drain cynically remarked that "A forced apology is not really an apology... So we will have to live without one."

Steve Miller, chair of Purdue Pharma's board of

directors, voiced his satisfaction with the ruling in a statement to NPR, declaring, “Instead of years of value-destructive litigation, including between and among creditors, this plan ensures that billions of dollars will be devoted to helping people and communities who have been hurt by the opioid crisis.”

The company that emerges from Purdue Pharma will be allowed to continue the production and selling of OxyContin and other opioid drugs.

According to a report from the US House Committee on Oversight and Reform, chaired by US Representative Carolyn Maloney, the Sackler family wealth totals \$11 billion, accrued “in large part through sales of OxyContin.” The settlement means that the Sacklers will keep the bulk of their fortune.

The report continues, “Members of the Sackler family pushed Purdue to use deceptive marketing practices to flood communities with this dangerous painkiller, and now the Sackler family is attempting to use Purdue’s bankruptcy proceedings to evade individual responsibility for their role in fueling the opioid epidemic.” This is exactly what has happened.

House Democrats in April called for the passage of the “Sackler Act” which supposedly would prevent the Sacklers and other non-debtors in the deal from receiving immunity from lawsuits. The settlement details were announced in October 2020, with the protection from liability having already been announced as part of the deal. Only the amount to be paid under the deal was increased since then, with no change in the liability protection.

However, nothing has been done by the Democrats, who have feigned surprise at the ruling. The Democrats along with the Republicans are awash in pharmaceutical company money, with the vast majority of Senate and House members, 72 senators and 302 members of the House of Representatives, cashing a check from the pharmaceutical industry, according to an analysis by Stat News released in June.

Purdue itself spent over \$1.2 million in lobbying in the year and a half leading up to the settlement, according to a review of lobbying records by *The Intercept*, and reportedly was monitoring the Sackler Act, among other proposed legislation. It hired the same public relations firm, Purple Strategies, that BP hired following the 2010 Deepwater Horizon Spill in the Gulf of Mexico.

noted ~~As~~ ~~December~~ ~~WSWS~~ ~~2019~~, was already granted to the Sacklers as the settlement was being hashed out: “On November 6, federal bankruptcy Judge Robert Drain halted all lawsuits against Purdue Pharma and members of the Sackler family until April 8, 2020. The extension of protection to the Sackler family was highly unusual because the Sacklers themselves have not yet filed for bankruptcy. Even Judge Drain conceded that the order was ‘extraordinary.’”

Drain hypocritically called his ruling last week a “bitter result” and stated that “I believe that at least some of the Sackler parties have liability for those [opioid OxyContin] claims. ... I would have expected a higher settlement.’

Drain’s record reflects the judicial system’s class character as a tool of the corporate financial oligarchy, and belies any of the feigned surprise or outrage by the Democrats, who knew full well that he would bow to the Sacklers’ demand for immunity.

- In 2006 Drain approved a plan by Delphi Corporation executives to approve tens of millions in bonuses to Delphi executives while hourly autoworkers faced a wage cut of up to 60 percent and the loss of tens of thousands of jobs, claiming it was needed to make Delphi “competitive.”

- In 2012 Drain approved \$1.75 million in bonuses for Hostess executives and shortly thereafter approved the liquidation of the company and the destruction of 15,000 jobs, shutting bakeries, distribution centers and stores.

- In 2015 Drain ruled in favor of former supermarket chain A&P, allowing the severance pay of about 2,500 workers be cut to 52 percent of what they were entitled to receive under the labor agreement between the company and the unions representing them.

This is just a small glimpse of the class justice that rules not only in Drain’s court but the capitalist legal system as a whole, as well as the parasitism of an economic system which profits off death and destruction.



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