Q&A—MCKINSEY MULTISTATE SETTLEMENT

Q: Does McKinsey still work for Purdue and/or other opioid companies?

- In 2019, McKinsey announced that it was no longer working for Purdue or other opioid manufacturers like Johnson & Johnson and Endo. In addition, as part of this settlement, McKinsey has promised not to work on Schedule II or III narcotics like opioids for any clients.
- But the harm created by McKinsey’s conduct working with these opioid companies has not stopped. [Mention impact in your state].

Q: What laws did McKinsey break?

- McKinsey’s work for opioid companies like Purdue to aggressively promote and sell more opioids to more patients for longer periods of time constituted unfair trade practices prohibited by state consumer protection laws.

Q: How did you come up with the $573 million?

- McKinsey is paying much more than the revenue it collected from its opioid clients and paying most of that money right away. This money will provide prompt abatement relief in communities across the Settling States.
- The agreement requires that $558 million be distributed to States and $15 million be used to fund opioid investigation costs and support the document repository.

Q: What happens if McKinsey violates the injunction?

- Under this settlement, if McKinsey violates any terms of this settlement, we have the right to ask the Court to hold them accountable immediately.

Q: How can you continue to ensure accountability?

- McKinsey will be required to disclose conflicts whenever it bids for a government contract.
- Every partner at McKinsey must sign a certification every year, addressing this settlement, including the ethics requirements. If McKinsey does not honor those promises, we can hold them accountable in court.
Q: Why not hold any individuals accountable?

- State AGs determined it was important to hold the entire McKinsey organization accountable. The misconduct in this case involved scores of McKinsey employees over more than a decade, and we have imposed consequences that will be felt by everyone at McKinsey.

- The Judgment entered as part of the settlement is binding on McKinsey’s partners and employees. They are all responsible for complying with the new court-ordered ethics rules that McKinsey must implement, including strict company-wide standards for document retention, and conflict disclosures on state contracts.

- We believe the injunctive terms – real document retention rules and the notoriety that will come from having their conduct exposed in a repository of internal documents – will change McKinsey’s practices going forward, and put their competitors on notice, too.

- More importantly, this settlement brings real money to address the opioid crisis today to communities that need it.

Q: Previous documents that were made public in the Purdue bankruptcy action disclose discussions within McKinsey about deleting emails. Does this settlement address that?

- Yes. To send a clear message that unethical conduct cannot be concealed by deleting documents, McKinsey will require that every email sent on its system be preserved for five years. McKinsey partners will have to certify that they will comply with document retention terms under this settlement.

Q: When will the documents be made public?

- Within nine months, McKinsey will designate tens of thousands of documents related to the investigation, including every communication between McKinsey and Purdue about McKinsey’s opioid work, for the states to make public in an online document repository for the benefit of researchers, the press, and the public.

- Just like with the tobacco settlement, these documents, together with documents from other opioid companies, will be hosted through partnership with an online, university-based library, in perpetuity.

Q: How much did McKinsey collect from its opioid clients?

- We expect those facts will become public in the tens of thousands of documents that McKinsey is required to disclose to the public.

Q: Why not sue McKinsey when you sued Purdue and the Sacklers?
• We did not know at that time the extent of McKinsey’s participation in the misconduct. We believed it was important to conduct a thorough investigation.
• One benefit of that investigation is that tens of thousands of internal McKinsey documents that we did not have then will be made public.

Q: Does a consent agreement mean that McKinsey did not admit any guilt or wrongdoing?
• That’s correct. It was important for us to secure this direct relief through a consent judgment and require McKinsey to disclose the actual evidence directly to the public, including tens of thousands of McKinsey documents, so there can be no doubt about what McKinsey did.

Q: This is a civil case, correct? Will any criminal charges be filed?
• The states have not released criminal claims against McKinsey or any of the partners. We cannot comment further on the status of any criminal investigations.

Q: Is this settlement separate from any potential federal charges? Do you know if Congress is pursuing a hearing or testimony from McKinsey about their role in the opioid epidemic/Purdue marketing?
• This settlement is just with the states and territories. It does not release or preclude any action by Congress or the U.S. Department of Justice.