Everett sues drugmaker, demands it foot the bill for widespread opioid addiction

The first-of-its-kind lawsuit alleges that Purdue Pharma turned a blind eye to the ruin black-market OxyContin brought to Everett and demands the drugmaker foot the bill for widespread opioid addiction.

By
Harriet Ryan
Los Angeles Times

Everett, a city devastated by black-market OxyContin, filed a first-of-its-kind lawsuit against the painkiller’s manufacturer Thursday, alleging the company turned a blind eye to criminal trafficking of its pills to “reap large and obscene profits,” and demanding it foot the bill for widespread opioid addiction in the community.

The suit was prompted by a Los Angeles Times investigation last year. The newspaper revealed that drugmaker Purdue Pharma had extensive evidence pointing to illegal trafficking across the nation but, in many cases, did not share it with law enforcement or cut off the flow of pills.

“We know this is a bold action we are taking, but it is the right thing to do,” Everett Mayor Ray Stephanson said.

One Los Angeles ring monitored by Purdue and highlighted by The Times’ investigation supplied OxyContin to gang members and other criminals trafficking the drug to Everett. At the height of the problem, in 2010, OxyContin was a factor in more than half the crimes in Snohomish County, and it ignited a heroin epidemic that still grips the region, officials said.

In a complaint in Superior Court, city lawyers accused Purdue of gross negligence, creating a public nuisance and other misconduct and said the company should pay costs
of handling the opioid crisis — a figure the mayor said could run tens of millions of dollars — as well as punitive damages.

“Purdue’s improper actions of placing profits over the welfare of the citizens of Everett have caused and will continue to cause substantial damages to Everett,” the lawyers wrote. “Purdue is liable for its intentional, reckless, and/or negligent misconduct and should not be allowed to evade responsibility for its callous and unconscionable practices.”

Purdue has been sued hundreds of times in the past 20 years over its marketing of OxyContin to doctors and the drug’s risk of addiction to patients, but Everett’s suit is the first to focus narrowly on what the company knew about criminal distribution of the painkiller.

Purdue did not immediately respond to a request for comment on the suit. In a statement Wednesday in advance of a City Council vote to authorize the litigation, a spokesman for Purdue said, “We share public officials’ concerns about the opioid crisis and we are committed to working collaboratively to find solutions.”

The Times’ investigation, published in July, disclosed that for more than a decade, an internal security team at Purdue monitored doctors and pharmacies it suspected of colluding with dealers and addicts. In the case of the L.A. ring, criminals set up a phony clinic near MacArthur Park in 2008 and worked with corrupt physicians and pharmacies to obtain pills over 18 months.

A Purdue sales manager dispatched to investigate the high volume of prescriptions at the clinic found a rundown building thronged with rough men and urged supervisors to alert the Drug Enforcement Administration, saying she was “very certain this is an organized drug ring.”

Despite her pleas and more evidence suggesting pills were pouring into the hands of criminals, company officials did not go to authorities until years later when the drug ring was out of business and its leaders indicted. By then, 1.1 million pills had spilled into the illicit pipeline.
Within days of The Times’ story, Everett officials quietly began looking into a lawsuit and later hired a Seattle law firm to evaluate a case.

**Jobs, homes lost**

The glut of OxyContin from California in the late 2000s created a new breed of addicts in and around Everett. Those drawn to the pills saw the painkiller as more fashionable and less dangerous than street drugs.

Many lost their homes, jobs and families. After Purdue reformulated OxyContin in 2010 to make it harder to abuse, addicts moved en masse to heroin.

From 2011 to 2014, 420 people died of opioid overdoses in Snohomish County — a rate that ranks among the state’s highest. The sole detox center has 16 beds, but on any given day, the jail might have up to 160 inmates in need of detox, officials said. The city last year spent $160,000 removing trash from a single city block that has become an open-air drug market. Homelessness has exploded.

“A lot of individuals we are coming across have worked, have had a job, and somehow they were introduced to prescription drugs,” said Staci McCole, one of two social workers recently embedded with the police department to help officers handle addicts.

The lawsuit alleges the heroin crisis “is directly attributable to Purdue’s wrongful and tortious conduct.”

“We believe that the flooding of the city with OxyContin caused the crisis,” said Hil Kaman, Everett public health and safety director. “Our capacity to respond has been overwhelmed, and Purdue should pay for the harm they caused.”

Although Everett is the first municipality to sue Purdue solely on the basis of criminal sales of its drug, other jurisdictions trying to recoup costs of the opioid epidemic have raised the issue, along with claims of fraudulent marketing. Two California counties that sued in 2014 said Purdue knowingly profited from criminal dealings of its drug, citing as evidence the company’s Region Zero program, a secret database of more than 1,800 suspect doctors first revealed by The Times.
By the company’s own admission, less than 10 percent of those doctors had been reported to law enforcement.