



Pinellas County

Staff Report

File #: 21-2110A, **Version:** 1

Subject:

Proposed litigation in the case of Pinellas County v. McKinsey and Company, Inc. - action for money damages arising from the opioid epidemic.

Recommended Action:

Consider authorizing the County Attorney to initiate litigation in the case of Pinellas County v. McKinsey and Company, Inc.

Strategic Plan:

N/A

Summary:

Through litigation involving Purdue, it was revealed that Purdue hired McKinsey and Company, Inc. (McKinsey) to increase OxyContin sales. Reportedly, following the 2007 guilty plea for the misleading marketing of OxyContin, the Sackler family sought McKinsey's assistance to increase profits for Purdue. McKinsey proposed and Purdue implemented, with McKinsey's assistance, a marketing and overall business strategy to increase opioid sales and within five years of Purdue's 2007 guilty plea, OxyContin sales tripled.

Last month, the House Committee on Oversight and Reform launched an investigation into McKinsey & Company's Consulting Practices and Conflicts of Interest. According to a letter sent by the Committee Chairwoman, Rep. Carolyn B. Maloney, "Over the last decade, McKinsey & Company... has engaged in a pattern of conduct that raises serious concerns about its business practices, conflicts of interest, and management standards. The company's support for drug companies pushing addictive opioid painkillers and raising prices for life-saving medications, even as McKinsey also advised the federal agency regulating their conduct may have had a significant negative impact on Americans' health. McKinsey's investments through an internal hedge fund - including in companies benefiting from opioid sales - also raise significant concerns about conflicts of interest."

Pembroke Pines filed a class action suit against McKinsey, which has been joined into multidistrict litigation (MDL) pending in California against McKinsey. Although 47 attorneys general, including Florida's, settled with McKinsey and purportedly released any and all local government claims, an MDL was formed this summer to litigate the claims of cities, counties and tribes against McKinsey. It is anticipated that the MDL will determine the authority of the Florida Attorney General to settle on behalf of local governments.

Any authorization will include authorizing outside counsel to bring suit against all defendants that may be or become necessary to fully litigate this action.

Background Information:

N/A

Fiscal Impact:

Unknown.

Staff Member Responsible:

Jewel White, County Attorney

Christy Donovan Pemberton, Managing Assistant County Attorney

Partners:

N/A

Attachments:

N/A