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11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 STATE OF ARIZONA, *ex rel.* MARK  
14 BRNOVICH, Attorney General,

15 Plaintiff,

16 v.

17  
18  
19 MCKINSEY & COMPANY, INC., UNITED  
20 STATES,

21 Defendant.

Case No. **CV2021-001986**

**COMPLAINT**

(Assigned to the Hon. \_\_\_\_\_)

22  
23 Comes now the Plaintiff, the State of Arizona, and brings this action against Defendant  
24 McKinsey and Company, Inc., United States (“McKinsey” or “Defendant”) for violating the  
25 Arizona Consumer Fraud Act (the “CFA”), Arizona Revised Statutes (“A.R.S.”) §§ 44-1521 to -  
26 1534, and states as follows:

27 ...

28 ...

1 **PARTIES**

2 1. Plaintiff is the State of Arizona *ex rel.* Mark Brnovich, the Attorney General of  
3 Arizona, who is authorized to bring this action under the CFA, A.R.S. §§ 44-1521 to -1534.

4 2. Defendant McKinsey is a privately owned entity headquartered in New York,  
5 N.Y. At all times relevant to this proceeding, McKinsey did business in Arizona.

6 **JURISDICTION AND VENUE**

7 3. This Court has subject-matter jurisdiction.

8 4. This Court may issue appropriate orders both prior to and following a  
9 determination of liability pursuant to A.R.S. § 44-1528.

10 5. Defendant caused events to occur in this state out of which the claims which are  
11 the subject of this Complaint arose.

12 6. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).

13 **FACTUAL ALLEGATIONS**

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

18 8. Prescription opioids continue to kill thousands of people across Arizona every  
19 year. Thousands more suffer from negative health consequences short of death and countless  
20 others have had their lives ruined by a friend or family member's addiction or death. Every  
21 community in Arizona suffers from the opioid crisis of addiction and death.

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

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

28 11. The State brings this action against McKinsey for the consulting services it

1 provided to opioid companies in connection with designing the companies' marketing plans and  
2 programs that helped cause and contributed to the opioid crisis. McKinsey sold its ideas to  
3 OxyContin maker Purdue Pharma, L.P. ("Purdue") for more than fifteen years, from 2004 to  
4 2019, including before and after Purdue's 2007 guilty plea for felony misbranding.

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

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

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

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

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

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

- 25 a. focus sales calls on high-volume opioid prescribers, including those who
- 26 wrote as many as 25 times as many OxyContin scripts as their lower volume counterparts;
- 27 b. remove sales representative discretion in target prescribers;

28 . . .

1 c. focus Purdue's marketing messaging to titrate to higher, more lucrative  
2 dosages;

3 d. significantly increase the number of sales visits to high-volume prescribers;  
4 and

5 e. create an "alternative model for how patients receive OxyContin,"  
6 including direct distribution to patients and pharmacies, to help address the "product access"  
7 problem.

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

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

17 20. In developing the targeted messaging to increase sales of OxyContin, McKinsey  
18 conducted significant market research, including through ridealongs with Purdue sales  
19 representatives to learn how they promoted OxyContin. McKinsey carefully monitored Purdue  
20 sales representatives and provided guidance on prescriber messaging and adhering to target  
21 prescriber lists. McKinsey advised that sales representatives do more to promote the so-called  
22 abuse deterrent properties of a reformulated version of OxyContin to address prescriber  
23 concerns about abuse risk.

24 21. When a large pharmacy chain took steps to scrutinize suspicious opioid orders,  
25 McKinsey stressed to Purdue's owners the "need to take action" on this "urgent" issue affecting  
26 OxyContin. McKinsey told Purdue's owners to engage in senior level discussions with the  
27 pharmacy chain, increase efforts with patient advocacy groups to clamor against dispensing  
28 ...

1 limits, and accelerate considerations of an alternative distribution channel, such as delivering  
2 OxyContin directly to patients through mail-order pharmacies.

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

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

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

20         25. Subsequently, in the wake of hundreds of thousands of opioid deaths and  
21 thousands of lawsuits, McKinsey proposed a plan for Purdue's exit from the opioid business  
22 whereby Purdue would continue selling opioids as a way to fund new Purdue ventures.  
23 According to McKinsey, this change was necessary because of the negative events that  
24 materially compromised the Purdue brand.

25         26. McKinsey's work for opioid manufacturers extended beyond Purdue. McKinsey  
26 collected millions of dollars designing and implementing marketing programs for the country's  
27 largest opioid manufacturers, including Johnson & Johnson and Endo, increasing the sale and  
28 . . .

1 use of opioids in Arizona. McKinsey designed and implemented for other opioid manufacturers  
2 marketing plans similar to those it created for Purdue.

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

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

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

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

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

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

24 33. In 2020, Purdue pleaded guilty to three felonies as a result of conduct spanning a  
25 decade - from 2007 to 2017 - during which Purdue worked side-by-side with McKinsey to  
26 design and implement marketing campaigns to increase dangerous opioid sales.

27 34. In 2020, Purdue and the members of the Sackler family who owned Purdue also  
28 settled civil claims by the Department of Justice for hundreds of millions of dollars. The

1 materials filed in connection with that plea and settlement agreements contain a statement of  
2 facts regarding McKinsey's conduct and involvement in the conduct leading to the civil claims  
3 against Purdue and the Sackler family.

4 **CLAIM FOR RELIEF**

5 VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT, A.R.S. §§ 44-1521 to -1534

6 35. Plaintiff realleges and incorporates by reference each and every allegation  
7 contained in the preceding paragraphs as if they were set out herein.

8 36. In the course of its business, McKinsey unfairly worked with certain of its opioid  
9 manufacturing clients to aggressively promote and sell more opioids to more patients for longer  
10 periods of time.

11 37. The conduct described in the preceding paragraphs of this Complaint constitutes  
12 violations of A.R.S. §§ 44-1521 to -1534.

13 **REQUEST FOR RELIEF**

14 WHEREFORE, Plaintiff respectfully requests that this Honorable Court enter an Order:

- 15 a. Adjudging and decreeing that McKinsey has engaged in the acts or practices complained  
16 of herein, and that such constitute unfair acts or practices in violation of A.R.S. § 44-  
17 1522;
- 18 b. Issuing a permanent injunction prohibiting McKinsey, its agents, servants, employees,  
19 and all other persons and entities, corporate or otherwise, in active concert or  
20 participation with any of them, from engaging in unfair trade practices;
- 21 c. Ordering McKinsey to pay damages for violation of the laws set forth above of the State  
22 of Arizona;

23 ...  
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25 ...  
26 ...  
27 ...  
28 ...

- 1 d. Ordering McKinsey to pay all costs for the prosecution and investigation of this action, as  
2 provided by of A.R.S. § 44-1534 of the CFA; and  
3 e. Ordering such other and further relief as the Court may deem just and proper.  
4

5 RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of February, 2021.

6 MARK BRNOVICH  
7 Attorney General

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10 Jennifer Bonham  
11 Assistant Attorneys General  
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1 **CERTIFICATE OF SERVICE**

2  
3 Document electronically transmitted to the  
4 Clerk of the Court for filing using AZTurboCourt  
5 This 4<sup>th</sup> day of February, 2021.

6 **Copy** of the foregoing mailed via USPS  
7 and emailed this 4<sup>th</sup> day of February, 2021 to:

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20 /s/ Allison Acevedo

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