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22 *Attorneys for Plaintiff, State of Nevada*

23 **IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
24 **IN AND FOR CARSON CITY**

25 STATE OF NEVADA, )  
26 )  
27 Plaintiff, )  
28 )  
29 vs. )  
30 )  
31 MCKINSEY & COMPANY, INC. UNITED )  
32 STATES, )  
33 )  
34 Defendant. )  
35 )  
36 )  
37 )  
38 )

CASE NO.: 2102000437

DEPT NO.: F

COMPLAINT

BUSINESS COURT REQUESTED  
ARBITRATION EXEMPTION -  
Action in Equity

1 Plaintiff, State of Nevada (“State” or “Nevada”), acting through its Attorney General, Aaron D.  
2 Ford, Consumer Advocate Ernest D. Figueroa, and the State’s counsel, Eglet Adams, brings this action  
3 against Defendant McKinsey and Company, Inc. United States (“McKinsey” or “Defendant”) for  
4 violations of NRS 598.0903 *et seq.*, and alleges the following:

5 **PARTIES**

6 1. Plaintiff, the State of Nevada is a body politic created by the Constitution and laws of the  
7 State and, thus, it is not a citizen of any state. This action is brought by the State in its sovereign  
8 capacity to protect Nevada’s interests, and Nevada’s residents as *parens patriae*, by and through Aaron  
9 D. Ford, the Attorney General of the State of Nevada. The State and its residents have suffered damages  
10 and losses as a direct and proximate result of McKinsey’s conduct. Attorney General Ford is acting in  
11 accordance with his authority under, among other things, NRS 228.310, 338.380, 228.390, and  
12 598.0903 *et seq.*

13 2. Defendant McKinsey is a privately owned entity headquartered in New York, N.Y.

14 **JURISDICTION AND VENUE**

15 3. Subject-matter jurisdiction for this action is conferred upon this court in accordance with  
16 Article 6, Section 6 of the Nevada Constitution.

17 4. This Court has personal jurisdiction over Defendant pursuant to NRS 598.0963 and NRS  
18 598.999 because at all times relevant to this action, Defendant transacted business in Nevada.

19 5. Venue is proper in this Court under NRS 598.0989(3) because Defendant’s conduct  
20 alleged herein took place in Clark County, Nevada.

21 **Factual Allegations**

22 6. Beginning in the mid-1990s, opioid manufacturers pursued aggressive sales strategies to  
23 increase sales of their prescription opioids, a plan that resulted in a dramatic rise in opioid prescriptions  
24 in the State. The rise in opioid prescriptions caused an equally devastating rise in opioid abuse,  
25 dependence, addiction, and overdose deaths.

26 7. Prescription opioids continue to kill hundreds of people across the State every year.  
27 Thousands more suffer from negative health consequences short of death and countless others have had  
28

1 their lives ruined by a friend or family member's addiction or death. Every community in the State  
2 suffers from the opioid crisis of addiction and death.

3 8. McKinsey provided guidance, consulting, and marketing plans to entities involved in  
4 manufacturing, marketing, distributing, and selling opioids.

5 9. McKinsey is one of the world's largest consulting companies. Its partners work  
6 worldwide for corporations and governments across diverse industries. Its influence is vast because of  
7 its best-in-class reputation. McKinsey has the ability to take whatever a company or government is  
8 doing and help those entities do what they do better.

9 10. The State brings this action against McKinsey for the consulting services it provided to  
10 opioid companies in connection with designing the companies' marketing plans and programs which  
11 the companies used to manufacture, distribute, and sell opioids which helped cause and contributed to  
12 the opioid crisis. McKinsey sold its ideas to OxyContin maker Purdue Pharma, L.P. ("Purdue") for  
13 more than fifteen years, from 2004 to 2019, including before and after Purdue's 2007 guilty plea for  
14 felony misbranding.

15 11. McKinsey provided advice, consultation, and marketing plans to opioid manufacturers  
16 such as Purdue and other manufacturers, helped the manufacturers target prescribers who write the  
17 most prescriptions, for the most patients, and thereby make the most money for those opioid  
18 manufacturers.

19 12. Early in their relationship, McKinsey provided advice, consultation, and marketing plans  
20 to Purdue which used the information to increase OxyContin sales through physician targeting and  
21 specific messaging to prescribers. These McKinsey strategies formed the pillars of Purdue's sales  
22 tactics for the next fifteen years.

23 13. In 2008, McKinsey worked with Purdue to develop its FDA mandated risk evaluation  
24 and mitigation strategy ("REMS"). McKinsey provided advice, consultation, and marketing plans to  
25 Purdue which Purdue used to "band together" with other opioid manufacturers toward a class REMS  
26 to "formulate arguments to defend against strict treatment by the FDA." Ultimately, the FDA adopted  
27 a class-wide REMS that resulted in high-dose OxyContin remaining subject to the same oversight as  
28 lower-dose opioids.

1           14.     In 2009, Purdue hired McKinsey to increase “brand loyalty” to OxyContin. McKinsey  
2 recommended and advised Purdue on marketing plans for the best ways to ensure loyalty to the brand  
3 and Purdue used this advice and consultation to target specific patients, including patients new to  
4 opioids, and developing targeted messaging for specific prescribers.

5           15.     Purdue thereafter adopted McKinsey’s advised and consulted prescriber messaging and  
6 patient targeting and incorporated them into Purdue’s marketing and sales strategies.

7           16.     In 2013, McKinsey conducted another analysis of Oxycontin growth opportunities for  
8 Purdue, and laid out new plans to increase sales of OxyContin. Among the key components of  
9 McKinsey’s plan adopted by Purdue were to:

- 10           a.     focus sales calls on high-volume opioid prescribers, including those who wrote as many  
11 as 25 times as many OxyContin scripts as their lower volume counterparts;
- 12           b.     remove sales representative discretion in target prescribers;
- 13           c.     focus Purdue’s marketing messaging to titrate to higher, more lucrative dosages;
- 14           d.     significantly increase the number of sales visits to high-volume prescribers; and
- 15           e.     create an “alternative model for how patients receive OxyContin,” including direct  
16 distribution to patients and pharmacies, to help address the “product access” problem.

17           17.     Purdue approved McKinsey’s plan and strategies, and together with McKinsey, moved  
18 to implement the plan to “Turbocharg[e] Purdue’s Sales Engine,” under the name Evolve 2 Excellence  
19 (“E2E”). E2E significantly increased Purdue’s opioid sales, in particular, for OxyContin.

20           18.     McKinsey partners participated as part of an Executive Oversight Team and Project  
21 Management Office, reporting to Purdue’s Executive, the Purdue board, and with the Sacklers,  
22 individually. McKinsey worked side by side with Purdue and helped Purdue plan and implement E2E,  
23 assisting with sales representative training, productivity, messaging, and call plans, IT systems,  
24 promotional strategies, and market forecasting.

25           19.     In developing the targeted messaging to increase sales of OxyContin, McKinsey  
26 conducted significant market research, including through ridealongs with Purdue sales representatives  
27 to learn how they promoted OxyContin. McKinsey carefully monitored Purdue sales representatives  
28 and provided guidance on prescriber messaging and adhering to target prescriber lists. McKinsey

1 advised that sales representatives do more to promote the so-called abuse deterrent properties of a  
2 reformulated version of OxyContin to address prescriber concerns about abuse risk.

3 20. When a large pharmacy chain took steps to scrutinize suspicious opioid orders,  
4 McKinsey stressed to Purdue's owners the "need to take action" on this "urgent" issue affecting  
5 OxyContin. McKinsey advised Purdue's owners to engage in senior level discussions with the  
6 pharmacy chain, increase efforts with patient advocacy groups to clamor against dispensing limits, and  
7 accelerate considerations of an alternative distribution channel, such as delivering OxyContin directly  
8 to patients through mail-order pharmacies.

9 21. After E2E, McKinsey continued to advise and consult with Purdue, including on a project  
10 that identified the growing addiction crisis as a profit-making opportunity. McKinsey advised Purdue  
11 that it should strive to become a provider across the spectrum of drug abuse and addiction because of  
12 the opportunities it presented. McKinsey advised Purdue to get into the manufacturing and marketing  
13 of opioid rescue and treatment medications in order to profit from the realities of dependence, addiction,  
14 and abuse. Indeed, in 2018, Purdue owner Dr. Richard Sackler received a patent for a drug to treat  
15 opioid addiction.

16 22. McKinsey also partnered with Purdue to test a program called FieldGuide, a proprietary  
17 software that McKinsey sought to license to other manufacturers. This software would enable other  
18 opioid manufacturers to target and aggressively pursue high-volume prescribers.

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

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

1           25.     McKinsey's advice and consultation for opioid manufacturers extended beyond Purdue.  
2 McKinsey collected millions of dollars designing and implementing marketing programs for the  
3 country's largest opioid manufacturers, including Endo, Johnson & Johnson, and Mallinckrodt,  
4 increasing the sale and use of opioids in the State. McKinsey designed and implemented for other  
5 opioid manufacturers marketing plans similar to those it created for Purdue.

6           26.     At the same time McKinsey was advising and consulting for opioid companies,  
7 McKinsey also advised and consulted with governments and non-profits working to abate the raging  
8 opioid crisis—a crisis that McKinsey's own research showed was caused in large part by prescription  
9 opioids.

10          27.     There are indications that individuals at McKinsey considered destroying or deleting  
11 documents related to their advice and consultation with Purdue when it became evident that Purdue  
12 would face scrutiny arising out of its opioid business.

13          28.     In 2019, McKinsey announced that it no longer was engaged with providing advice for  
14 Purdue or other opioid manufacturers. But the harm created by McKinsey's marketing plans for opioid  
15 manufacturers has not stopped.

16          29.     Opioids have killed thousands in the State, and continue to ravage the lives of many more,  
17 creating one of the largest public health epidemics in the country's history. Economically, the toll is  
18 equally grim. The opioid crisis has forced the State to incur dramatically increased costs of health and  
19 human services, including but not limited to: health care, child welfare, criminal justice, and many  
20 other programs needed to remediate the harms, impact, and risks caused by the opioid epidemic to the  
21 State of Nevada and to its residents.

22          30.     Months after McKinsey stopped its opioid advice and consultation, Purdue filed for  
23 bankruptcy. More than a hundred thousand individuals filed claims for personal injuries. States and  
24 local governments filed claims for trillions of dollars incurred as a result of the opioid crisis. Another  
25 McKinsey client, opioid manufacturer Mallinckrodt plc, similarly filed for bankruptcy protection in  
26 October 2020.

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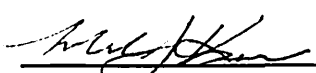
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**AFFIRMATION – PURSUANT TO NRS 239B.030**

The undersigned does hereby affirm that the preceding document DOES NOT contain the social security number of any person.

Dated this 22<sup>nd</sup> day of March, 2021.

Respectfully submitted,



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