

Attorney General Raoul Announces Updated Settlement With Opioid Manufacturer

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Chicago – Attorney General Kwame Raoul announced an update to a global settlement framework agreement between state attorneys general, local subdivisions, and the opioid manufacturer Mallinckrodt (MNK), its subsidiaries, and certain other affiliates for their role in the opioid epidemic. Under the new settlement, MNK will pay \$1.6 billion into a trust that will go toward abating the opioid crisis. MNK is currently the largest generic opioid manufacturer in the United States.

“Mallinckrodt selfishly and irresponsibly sacrificed the health and safety of Illinois residents for its own financial gain,” Raoul said. “This settlement not only holds Mallinckrodt accountable for its deceptive marketing and its role in the opioid epidemic, but also ensures that they will help individuals, families and communities throughout Illinois recover from the damage the company caused. I will continue to investigate and hold accountable all of those responsible for our nation’s unprecedented opioid crisis.”

MNK will pay \$1.6 billion into a trust that will cover the costs of opioid addiction treatment and related efforts that will go toward helping to address the opioid crisis, including valid claims related to MNK’s role in the opioid crisis raised by non-governmental claimants. The updated settlement improves upon the settlement first announced in February by increasing the first payment by \$150 million. MNK will pay the \$1.6 billion according to the following schedule:

- \$450 million upon emergence from bankruptcy.
- \$200 million annually on first and second anniversary of emergence from bankruptcy.
- \$150 million annually on third through seventh anniversaries of emergence from bankruptcy.

MNK also agrees that its opioid business will be subject to stringent injunctive relief that, among other things, will prevent marketing and ensure systems are in place to prevent drug misuse.

Last year, Attorney General Raoul added Irish pharmaceutical manufacturer Mallinckrodt to an ongoing lawsuit against opioid manufacturers and distributors, alleging MNK carried out unfair and deceptive marketing campaigns that prioritized profits over public health. According to the lawsuit, MNK pushed for the use of more opioids at higher doses and for longer periods of time under the guise of what it characterized as the widespread and problematic under-treatment of pain. MNK allegedly sought to convince health care providers and patients that opioids were a safe and effective treatment by minimizing the risk of addiction, touting deceptive concepts like “pseudo addiction,” and making false and unsubstantiated claims about the drugs’ benefits.

The lawsuit also alleged that MNK failed in its responsibility to identify, report and stop suspicious orders. According to Raoul, MNK's actions flooded Illinois with hundreds of millions of dosage units of opioids with little oversight, fueling the diversion of these drugs toward illegal and harmful uses.

The lawsuit is part of Attorney General Raoul's ongoing efforts to combat the opioid epidemic and hold accountable companies whose deceptive practices have increased opioid prescriptions at the expense of public health. Raoul's office has filed a lawsuit against opioid manufacturer Purdue Pharma for carrying out an aggressive and misleading marketing campaign to increase prescriptions of opioid painkillers as communities throughout Illinois and across the country faced an opioid addiction epidemic. Last year, Raoul's office expanded that lawsuit to include several members of the Sackler family, which founded and owns Purdue Pharma, for their roles in directing and approving the company's misleading marketing efforts.

Raoul urges anyone who believes they or a loved one may be addicted to opioids to seek help by calling the Illinois Helpline for Opioids and Other Substances at 833-2FINDHELP, which operates 24 hours a day, seven days a week.