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House of Representatives

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Opening Statement Chairwoman Carolyn B. Maloney Hearing on “McKinsey & Company’s Conduct and Conflicts at the Heart of the Opioid Epidemic” April 27, 2022

Good morning and thank you all for being here.

Today, we are holding the third hearing that I have convened as Chairwoman on our nation’s deadly opioid epidemic.

My goal is simple: to promote accountability and seek justice for the millions of families whose lives have been ravaged by this epidemic—and to protect Americans from suffering more harm.

Our Committee has examined the role of Purdue Pharma, which got millions of Americans hooked on the painkiller OxyContin despite knowing it was highly addictive. We have also investigated the role of the Sackler family, which made billions of dollars fueling a public health crisis that has killed half a million people in our country—and counting.

Today’s hearing focuses on another key driver of this epidemic that operated behind the scenes: the consulting firm McKinsey & Company.

For nearly 15 years, McKinsey secretly designed strategies for companies like Purdue to boost sales of addictive painkillers, paving the way for an explosion of drug abuse and overdoses around the country. Documents show that McKinsey created a roadmap for these drug companies to, “turbocharge” opioid sales.

Some of the advice McKinsey provided is shocking beyond belief.

In 2017, after the opioid epidemic had been declared a public health emergency, McKinsey recommended that Purdue offer pharmacy benefit managers a rebate of thousands of dollars for each overdose caused by its pills.

McKinsey’s goal, it seems, was to make sure that mounting concerns about overdoses didn’t slow down sales. Apparently, this advice was too shocking for even Purdue to accept.

Thanks to the tireless work of state attorneys general, we have finally begun to expose McKinsey’s secret role in this health crisis. I am grateful for the participation today of Massachusetts Attorney General Maura Healey, who has been leading the fight for accountability from Purdue, the Sacklers, and now, McKinsey.

Our Committee launched our own investigation into McKinsey more than five months ago.

We have learned that at the same time McKinsey was providing secret advice to Purdue to boost opioid sales, the firm was also consulting for the Food and Drug Administration—which oversees the opioid industry. In other words, McKinsey was advising both the fox and the hen-house—and getting paid by both!

The Committee recently released a [staff report](#) showing that at least 22 McKinsey consultants worked for both the FDA and opioid companies, often at the very same time.

Now, McKinsey has defended this conduct, claiming that the firm did not work for the FDA on specific opioid regulation or approvals. But the truth is, there were obvious connections between McKinsey's work for FDA and for opioid companies.

For example, in 2009, McKinsey advised opioid companies to, "band together" to, "defend against strict treatment by the FDA."

Then in 2011, McKinsey began working for the very FDA offices overseeing the opioid industry. The assignment was to set, "strategic goals and objectives" to improve drug safety and address adverse health impacts.

Clearly, McKinsey should not be setting strategy for both drug companies and the FDA.

Since 2008, McKinsey has collected \$140 million dollars from the FDA.

Just yesterday, the FDA announced at a Senate hearing that it has stopped issuing contracts to McKinsey while investigations into its conduct are ongoing.

[Documents](#) uncovered by the Committee also paint a damning picture of how McKinsey used its federal connections to advance its private sector business interests. In a sales pitch to Purdue's CEO, McKinsey bragged about, "who we know and what we know"—including the FDA.

In 2018, the firm sent a private memo on to President Trump's Secretary of Health and Human Services, Alex Azar. The memo was edited by consultants working for Purdue, with one consultant urging that the memo should emphasize the, "important societal benefit" of opioids.

McKinsey's conflicts of interest were undeniable, they were long-lasting, and they were detrimental to public health.

Today, our Committee will reveal [new documents](#) that raise even more questions about McKinsey's role in the opioid crisis. These [documents](#) show that the firm recommended a, "cash prize" and other perks to boost opioid sales and urged companies to target communities that were already hit hard by opioids.

McKinsey's conflicts and conduct are among the worst I have seen in my years in government.

McKinsey has apologized for some of its conduct—but it continues to deny its conflicts of interest, raising doubts about whether it has really learned from its mistakes.

McKinsey also continues to withhold key information from this Committee, including client lists and staffing information that could reveal the extent of the company's role in the opioid crisis and problems in other areas.

Today, we will hear from McKinsey's managing partner, Bob Sternfels, and I hope we will get some answers about his company's practices.

Today, I am also introducing [legislation](#) to ensure that we have stronger guardrails on conflicts in the future. I want to thank Senator Peters, in partnership with Senator Grassley, for their leadership in developing this bipartisan legislation.

We can no longer tolerate it when companies and federal contractors put their profits over the health and safety of the American people.

I now recognize the distinguished Ranking Member, Mr. Comer, for an opening statement.

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