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May 21, 2018

Chairman Lamar Alexander
Committee on Health, Education,
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428 Dirksen Office Bldg.
Washington, DC 20510

Chairman Chuck Grassley
Committee on the Judiciary
224 Dirksen Office Bldg.
Washington, DC 20510

Ranking Member Patty Murray
Committee on Health, Education,
Labor, and Pensions
428 Dirksen Office Bldg.
Washington, DC 20510

Ranking Member Dianne Feinstein
Committee on the Judiciary
224 Dirksen Office Bldg.
Washington, DC 20510

Dear Chairs Alexander and Grassley and Ranking Members Murray and Feinstein:

State attorneys general have been fighting the opioid crisis on numerous fronts, including protecting consumers from deceptive marketing of prescription opioids, disrupting illicit trafficking networks and closing pill mills. Recognizing the scope of this crisis, we thank you for funding provisions of the Comprehensive Addiction and Recovery Act (CARA) 2.0. By providing expanded treatment, increased naloxone access for first responders, and support for veterans treatment courts, these funds will assist states like ours that are suffering greatly from the opioid epidemic. Following up on this critical issue, we respectfully request that you now help expedite passage of the CARA 2.0 Act of 2018 (S. 2456), sponsored by Senator Portman and a bipartisan group of colleagues, to further address the devastation this epidemic has caused in our communities and to help hold opioid manufacturers appropriately accountable. In particular, we write to highlight the need for Section 14 of CARA 2.0, which is also contained in a separate bill, the Comprehensive Addiction Reform, Education, and Safety (CARES) Act of 2018 (S. 2440), introduced by Senators Maria Cantwell and Kamala Harris.

CARA 2.0 and CARES increase penalties on drug manufacturers that fail to report suspicious transactions and maintain effective controls against diversion of their drugs to the illicit market. Specifically, the bills increase civil penalties from \$10,000 to \$100,000 per violation for negligence in reporting suspicious transaction activity. The bills also double the maximum criminal penalty from \$250,000 to \$500,000 for companies that willfully disregard or knowingly fail to keep proper reporting systems or fail to report suspicious activity.

Opioid manufacturers have a duty to ensure that they take steps quickly to prevent their drugs from entering the illicit market. Moreover, these companies, which know their market better than anyone, are well-positioned

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to identify suspicious activity. Opioid manufacturers can detect certain doctors who consistently prescribe many more opioids than their peers and facilities with sudden, significant increases in opioid orders. Company sales representatives directly observe warning signs, such as large numbers of patients paying in cash or prescriptions being given or sold to non-patients.

We have seen opioid manufacturers ignore their responsibilities. For example, in response to a 2007 multi-state settlement, Purdue Pharma promised to create an abuse and diversion detection program to detect and report atypical prescribing patterns. Despite the court order, Purdue has remained silent about suspicious prescribing activity it should have reported, including ignoring the warnings of their own sales representatives about particular physicians. In Washington, for instance, Purdue waited nearly three years after a sales representative raised concerns to report a physician to the DEA. The sales representative noticed that the physician operated a largely cash-based business. Purdue analyzed his prescribing patterns and found that in the six months prior to the representative's report, he wrote more than 1,000 OxyContin prescriptions worth nearly half a million dollars, far exceeding his peers. Rather than fulfilling their responsibility to report this activity promptly, the company continued to supply opioids for nearly three years.

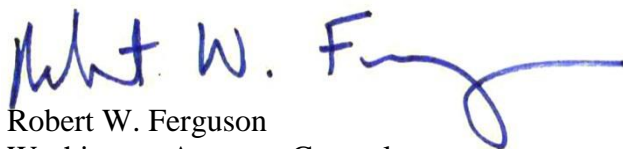
Diversion of prescription opioids has devastated communities in our states. The consequences for turning a blind eye to suspicious opioid orders cannot merely be a cost of doing business. We urge you to support CARA 2.0 and the CARES Act to ensure that penalties effectively hold manufacturers accountable and help stem diversion.

Thank you for your consideration.

Sincerely,



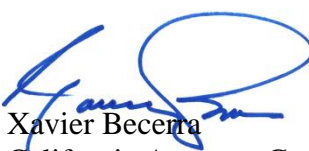
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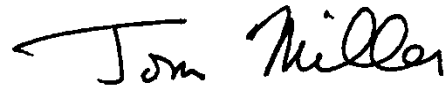
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District of Columbia Attorney General



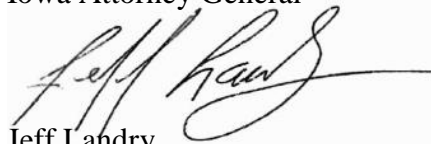
Pamela Jo Bondi
Florida Attorney General



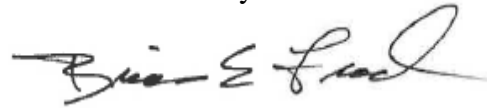
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Illinois Attorney General



Tom Miller
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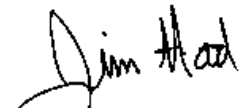
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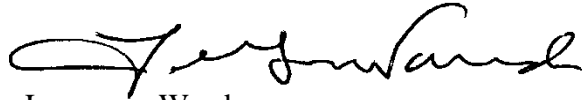
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Adam Paul Laxalt
Nevada Attorney General



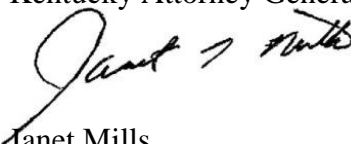
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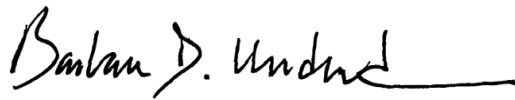
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Douglas Peterson
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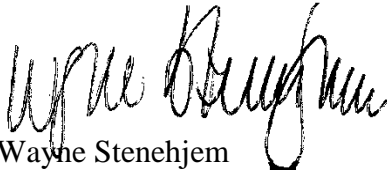
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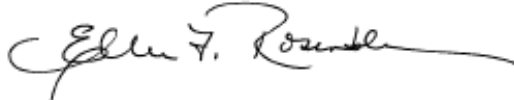
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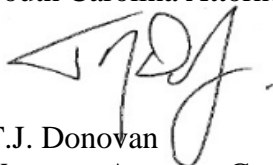
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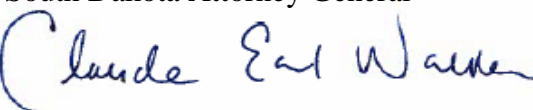
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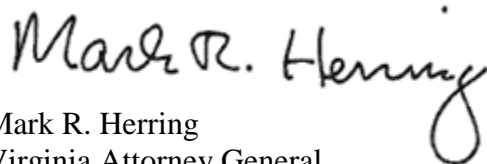
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