

EMPIRE
of PAIN

*The Secret History
of the Sackler Dynasty*

PATRICK
RADDEN KEEFE

Author of Say Nothing

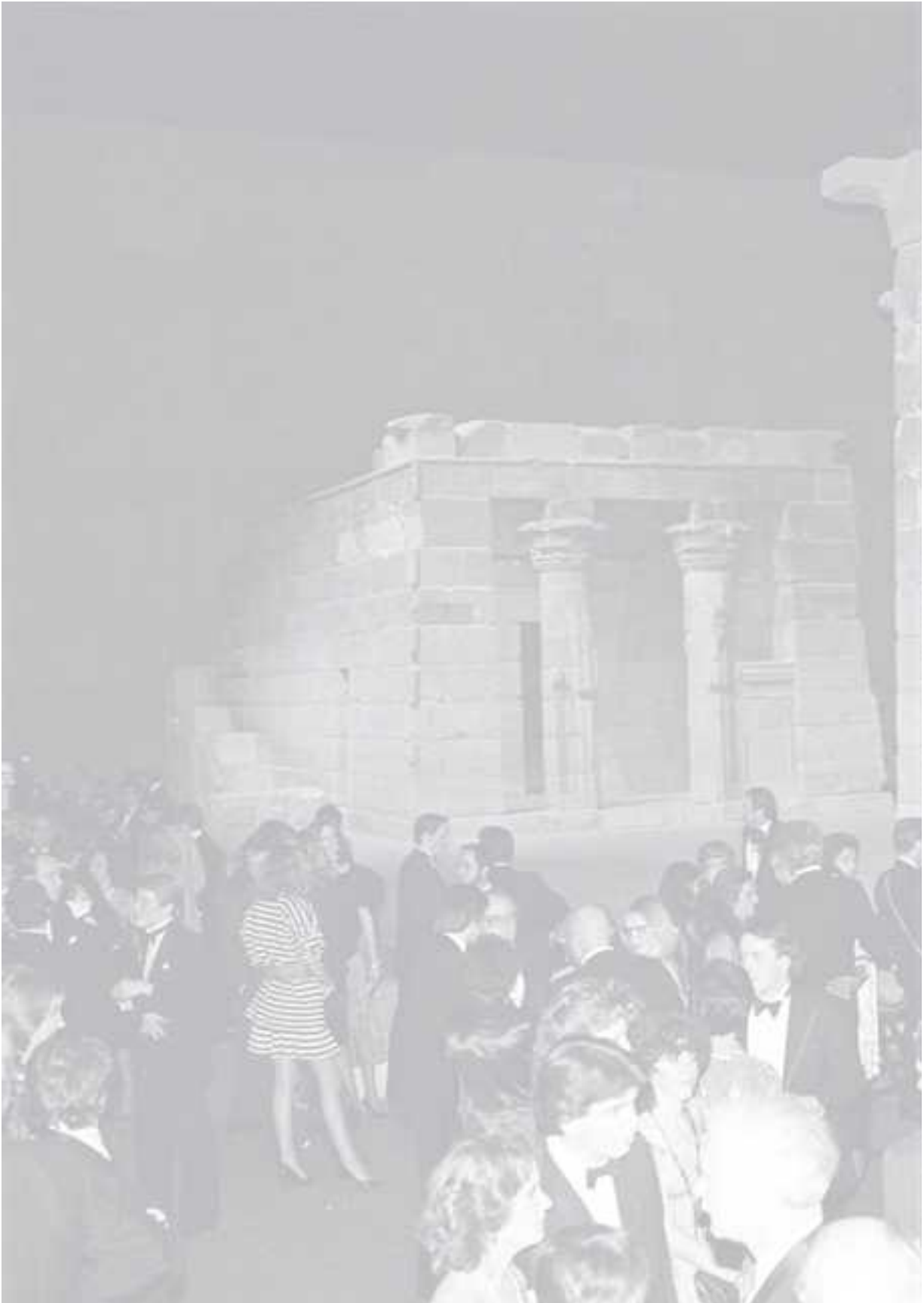


ALSO BY PATRICK RADDEN KEEFE

Say Nothing

The Snakehead

Chatter







EMPIRE OF PAIN

THE SECRET HISTORY
OF THE SACKLER DYNASTY

PATRICK RADDEN KEEFE

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FOR BEATRICE AND TRISTRAM

AND FOR ALL THOSE WHO HAVE LOST SOMEONE TO THE CRISIS

We have often sneered at the superstition and cowardice of the mediaeval barons who thought that giving lands to the Church would wipe out the memory of their raids or robberies; but modern capitalists seem to have exactly the same notion; with this not unimportant addition, that in the case of the capitalists the memory of the robberies is really wiped out.

—G. K. Chesterton (1909)

Doctor, please, some more of these.

—Rolling Stones (1966)

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Prologue

THE TAPROOT

THE NEW YORK HEADQUARTERS of the international law firm Debevoise & Plimpton occupy ten floors of a sleek black office tower that stands in a grove of skyscrapers in midtown Manhattan. Founded in 1931 by a pair of blue-blooded attorneys who defected from a venerable Wall Street firm, Debevoise became venerable itself, expanding, over the decades, into a global juggernaut with eight hundred lawyers, a roster of blue-chip clients, and nearly \$1 billion in annual revenue. The midtown offices bear no trace of the oak-and-leather origins of the firm. Instead, they are decorated in the banal tones of any contemporary corporate office, with carpeted hallways, fishbowl conference rooms, and standing desks. In the twentieth century, power *announced* itself. In the twenty-first, the surest way to spot real power is by its understatement.

One bright, cold morning in the spring of 2019, as reflected clouds slid across the black glass of the facade, Mary Jo White entered the building, ascended in an elevator to the Debevoise offices, and took up position in a conference room that was buzzing with subdued energy. At seventy-one years old, White epitomized, in her very physicality, the principle of power as understatement. She was tiny—barely five feet tall, with close-cropped brown hair and wizened eyes—and her manner of speech was blunt and unpretentious. But she was a fearsome litigator. White sometimes joked that her specialty was the “big mess” business: she wasn’t cheap, but if you found yourself in a lot of trouble, and you happened to have a lot of money, she was the lawyer you called.

Earlier in her career, White had spent nearly a decade as the U.S. Attorney for the Southern District of New York, where she prosecuted the perpetrators of the 1993 World Trade Center bombing. Barack Obama

appointed her chair of the Securities and Exchange Commission. But between these stints in government, she always returned to Debevoise. She had joined the firm as a young associate, becoming the second woman ever to make partner. She represented the big dogs: Verizon, JP Morgan, General Electric, the NFL.

The conference room was teeming with lawyers, not just from Debevoise but from other firms, too, more than twenty of them, with notebooks and laptops and mammoth three-ring binders bristling with Post-it notes. There was a speakerphone on the table, and another twenty lawyers from across the country had dialed in. The occasion for which this small army of attorneys had assembled was the deposition of a reclusive billionaire, a longtime client of Mary Jo White's who was now at the center of a blizzard of lawsuits alleging that the accumulation of those billions had led to the deaths of hundreds of thousands of people.

White once observed that when she was a prosecutor, her job was simple: "Do the right thing. You're going after bad guys. You're doing something good for society every day." These days, her situation was more complicated. High-end corporate attorneys like White are skilled professionals who enjoy a certain social respectability, but at the end of the day it's a client-driven business. This is a familiar dynamic for a lot of prosecutors with a mortgage and tuitions to think about. You spend the first half of your career going after the bad guys and then the second half representing them.

The lawyer who would be posing the questions that morning was a man in his late sixties named Paul Hanly. He did not look like the other attorneys. Hanly was a class-action plaintiffs' lawyer. He favored custom-made suits in bold colors and tailored shirts with stiff, contrasting collars. His steel-gray hair was slicked straight back, his piercing eyes accentuated by horn-rimmed glasses. If White was a master of muted power, Hanly was the opposite: he looked like a lawyer in a *Dick Tracy* cartoon. But he had a competitive edge to match White's and a visceral contempt for the veneer of propriety that people like White brought to this sort of undertaking. Let's not kid ourselves, Hanly thought. In his view, White's clients were "arrogant assholes."

The billionaire being deposed that morning was a woman in her early seventies, a medical doctor, though she had never actually practiced medicine. She had blond hair and a broad face, with a high forehead and wide-set eyes. Her manner was gruff. Her lawyers had fought to prevent this deposition, and she did not want to be there. She projected the casual impatience, one of the lawyers in attendance thought, of someone who never waits in line to board an airplane.

“You are Kathe Sackler?” Hanly asked.

“I am,” she replied.

Kathe was a member of the Sackler family, a prominent New York philanthropic dynasty. A few years earlier, *Forbes* magazine had listed the Sacklers as one of the twenty wealthiest families in the United States, with an estimated fortune of some \$14 billion, “edging out storied families like the Busches, Mellons and Rockefellers.” The Sackler name adorned art museums, universities, and medical facilities around the world. From the conference room, Kathe could have walked twenty blocks downtown, to the Sackler Institute of Graduate Biomedical Sciences, at NYU Medical School, or ten blocks uptown to the Sackler Center for Biomedicine and Nutrition Research, at Rockefeller University, then farther uptown to the Sackler Center for Arts Education at the Guggenheim Museum, and along Fifth Avenue to the Sackler Wing at the Metropolitan Museum of Art.

Over the previous six decades, Kathe Sackler’s family had left its mark on New York City, in a manner that the Vanderbilts or the Carnegies once did. But the Sacklers were wealthier now than either of those families that traced their fortunes to the Gilded Age. And their gifts extended well beyond New York, to the Sackler Museum at Harvard and the Sackler School of Graduate Biomedical Sciences at Tufts, the Sackler Library at Oxford and the Sackler Wing at the Louvre, the Sackler School of Medicine in Tel Aviv and the Sackler Museum of Art and Archaeology in Beijing. “I grew up,” Kathe told Hanly, “with my parents having foundations.” They contributed, she said, to “social causes.”

The Sacklers had given away hundreds of millions of dollars, and for decades the Sackler name had been associated in the public mind with philanthropy. One museum director likened the family to the Medicis, the noble clan in fifteenth-century Florence whose patronage of the arts helped

give rise to the Renaissance. But whereas the Medicis made their fortune in banking, the precise origins of the Sacklers' wealth had, for a long time, been more mysterious. Members of the family bestowed their name on arts and education institutions with a sort of mania. It was etched into marble, emblazoned on brass plaques, even spelled out in stained glass. There were Sackler professorships and Sackler scholarships and Sackler lecture series and Sackler prizes. Yet, to the casual observer, it could be difficult to connect the family name with any sort of business that might have generated all this wealth. Social acquaintances would see members of the family out, at gala dinners and Hamptons fund-raisers, on a yacht in the Caribbean or skiing in the Swiss Alps, and wonder, or whisper, about how they made their money. And this was strange, because the bulk of the Sacklers' wealth had been accumulated not in the era of the robber barons but in recent decades.

“You graduated from NYU undergraduate in 1980,” Hanly said. “True?”

“Correct,” Kathe Sackler replied.

“And from NYU Medical School in 1984?”

“Yes.”

And was it true, Hanly asked, that after a two-year surgical residency she had gone to work for the Purdue Frederick Company?

Purdue Frederick was a drug manufacturer, which subsequently became known as Purdue Pharma. Based in Connecticut, it was the source of the vast majority of the Sackler fortune. Whereas the Sacklers tended to insist, through elaborate “naming rights” contracts, that any gallery or research center that received their generosity must prominently feature the family name, the family *business* was not named after the Sacklers. In fact, you could scour Purdue Pharma's website and find no mention of the Sacklers whatsoever. But Purdue was a privately held company entirely owned by Kathe Sackler and other members of her family. In 1996, Purdue had introduced a groundbreaking drug, a powerful opioid painkiller called OxyContin, which was heralded as a revolutionary way to treat chronic pain. The drug became one of the biggest blockbusters in pharmaceutical history, generating some \$35 billion in revenue.

But it also led to a rash of addiction and abuse. By the time Kathe Sackler sat for her deposition, the United States was seized by an opioid epidemic in which Americans from every corner of the country found themselves addicted to these powerful drugs. Many people who started abusing OxyContin ended up transitioning to street drugs, like heroin or fentanyl. The numbers were staggering. According to the Centers for Disease Control and Prevention, in the quarter century following the introduction of OxyContin, some 450,000 Americans had died of opioid-related overdoses. Such overdoses were now the leading cause of accidental death in America, accounting for more deaths than car accidents—more deaths, even, than that most quintessentially American of metrics, gunshot wounds. In fact, more Americans had lost their lives from opioid overdoses than had died in all of the wars the country had fought since World War II.



Mary Jo White sometimes observed that one thing she loved about the law is the way it forces you “to distill things down to their essence.” The opioid epidemic was an enormously complex public health crisis. But, as Paul Hanly questioned Kathe Sackler, he was trying to distill this epic human tragedy down to its root causes. Prior to the introduction of OxyContin, America did not have an opioid crisis. After the introduction of OxyContin, it did. The Sacklers and their company were now defendants in more than twenty-five hundred lawsuits that were being brought by cities, states, counties, Native American tribes, hospitals, school districts, and a host of other litigants. They had been swept up in a huge civil litigation effort in which public and private attorneys sought to hold pharmaceutical companies accountable for their role in marketing these powerful drugs and misleading the public about their addictive properties. Something like this had happened once before, when tobacco companies were made to answer for their decision to knowingly downplay the health risks of cigarettes. Company executives were hauled before Congress, and the industry ended up agreeing to a landmark \$206 billion settlement in 1998.

White’s job was to prevent that sort of reckoning from happening to the Sacklers and Purdue. The attorney general of New York, who was suing

Purdue and had named Kathe and seven other members of the Sackler family as defendants, argued in a legal complaint that OxyContin was “the taproot of the opioid epidemic.” It was the pioneer, the painkiller that changed the way American doctors prescribed pain medication, with devastating consequences. The attorney general of Massachusetts, who was also suing the Sacklers, maintained that “a single family made the choices that caused much of the opioid epidemic.”

White had other ideas. Those bringing cases against the Sacklers were twisting the facts to scapegoat her clients, she argued. What was their crime? All they had done was sell a drug that was perfectly legal—a product that had been approved by the Food and Drug Administration. This whole charade was “a litigation blame game,” White contended, insisting that the opioid epidemic “is not a crisis of my clients’ or Purdue’s creation.”

But in the deposition that day, she said nothing. After introducing herself (“Mary Jo White, Debevoise & Plimpton, for Dr. Sackler”), she simply sat and listened, allowing other colleagues to jump in and interrupt Hanly with objections. Her function was not to make noise but to serve as a holstered gun, silent but visible, by Kathe’s side. And White and her team had coached their client well. Whatever White might say about the law getting to “the essence” of things, when your client is in the hot seat in a deposition, the whole point is to avoid the essence.

“Dr. Sackler, does Purdue bear any responsibility for the opioid crisis?” Hanly asked.

“Objection!” one of the lawyers interjected. “Objection!” another chimed in.

“I don’t believe Purdue has a legal responsibility,” Kathe replied.

That’s not what I asked, Hanly pointed out. What I want to know “is whether Purdue’s conduct was a *cause* of the opioid epidemic.”

“Objection!”

“I think it’s a very complex set of factors and confluence of different circumstances and societal issues and problems and medical issues and regulatory gaps in different states across the country,” she replied. “I mean, it’s very, very, very complex.”

But then Kathe Sackler did something surprising. One might suppose, given the dark legacy of OxyContin, that she would distance herself from the drug. As Hanly questioned her, however, she refused to accept the very premise of his inquiry. The Sacklers have nothing to be ashamed of or to apologize for, she maintained—because there’s nothing wrong with OxyContin. “It’s a very good medicine, and it’s a very effective and safe medicine,” she said. Some measure of defensiveness was to be expected from a corporate official being deposed in a multibillion-dollar lawsuit. But this was something else. This was *pride*. The truth is, she said, that she, Kathe, deserved credit for coming up with “the idea” for OxyContin. Her accusers were suggesting that OxyContin was the taproot of one of the most deadly public health crises in modern history, and Kathe Sackler was outing herself, proudly, as the taproot of OxyContin.

“Do you recognize that hundreds of thousands of Americans have become addicted to OxyContin?” Hanly asked.

“Objection!” a pair of lawyers blurted. Kathe hesitated.

“Simple question,” Hanly said. “Yes or no.”

“I don’t know the answer to that,” she said.



At one point in his questioning, Hanly inquired about a particular building on East Sixty-Second Street, just a few blocks from the conference room where they were sitting. There are actually two buildings, Kathe corrected him. From the outside, they look like two discrete addresses, but inside “they’re connected,” she explained. “They function as one.” They were handsome limestone town houses, in a rarefied neighborhood alongside Central Park, the sorts of timeless New York buildings that prompt real estate envy and conjure reveries of an earlier era. “That’s an office which is”—she caught herself—“was...my father and my uncle’s offices originally.”

Originally, there had been three Sackler brothers, she explained. Arthur, Mortimer, and Raymond. Mortimer was Kathe’s father. All three of them were doctors, but the Sackler brothers were “very entrepreneurial,” she continued. The saga of their lives and the dynasty they would establish was

also the story of a century of American capitalism. The three brothers had purchased Purdue Frederick back in the 1950s. “It was a much smaller company, originally,” Kathe said. “It was a small family business.”

