

## **ARTICLES FOR 10-5-17 ROUNDUP**

### **ATTORNEY GENERAL JACKLEY ANNOUNCES NEW UNIT TO FIGHT DISABILITY & SOCIAL WELFARE PROGRAM FRAUD**

PIERRE, S.D. – Attorney General Marty Jackley announced today a Dedication Event to launch the South Dakota Cooperative Disability Investigations Unit (CDIU). The CDIU is a joint initiative involving the Social Security Administration, the Office of Inspector General, State Disability Determination Services (SD DDS), and state and local law enforcement agencies to prevent beneficiary fraud in disability programs administered by the federal Social Security Administration (SSA) as well as fraud related to other social welfare entitlement programs administered by the State of South Dakota.

“This special Unit will focus on scammers who take money away from those who legitimately file claims and depend on these much needed resources,” said Jackley. “This is a cooperative law enforcement effort to weed out fraud and to protect those in need of assistance.”

The press conference is scheduled to take place on Wednesday, September 27th at the Social Security Administration Offices located at 5021 S. Nevada Avenue, Sioux Falls, SD, beginning at 1:30 p.m. (CDT).

South Dakota will be one of 38 Units in 33 states to take part in the federal initiative, which began in 1998 to investigate questionable statements and activities on Social Security claimants, medical providers and other parties to prevent potential fraud in the federal/state administered programs.

The new program will be entirely funded by the Social Security Administration, which will pay for the salaries, benefits and vehicles for five South Dakota Attorney General employees to be part of the South Dakota CDIU. These positions will include four law enforcement officials and one intelligence analyst.

### **ATTORNEY GENERAL BECERRA ANNOUNCES SETTLEMENT WITH GATORADE OVER ALLEGEDLY MISLEADING, ANTI-WATER STATEMENTS**

SACRAMENTO – California Attorney General Xavier Becerra today announced the concurrent filing of a complaint and a settlement involving allegations that The Gatorade Company violated California consumer protection laws by making misleading statements about water in a mobile videogame application it used to promote Gatorade sports drinks to teens and young adults.

The complaint filed by the Attorney General alleges that in the videogame “Bolt!”—made available free of charge on iTunes—Gatorade portrayed its products positively while inaccurately and negatively depicting water as hindering athletic performance. Specifically, users controlled a cartoon version of Olympic Gold Medalist Usain Bolt and ran an endless race to recover gold coins stolen by pirates. Upon touching a Gatorade icon, the Bolt avatar ran faster and the “fuel meter” increased; upon touching a water droplet, he slowed down and the “fuel meter” decreased.

Gatorade reinforced this misleading message through the game's tutorial, which urged users to "Keep Your Performance Level High By Avoiding Water."

"Making misleading statements is a violation of California law. But making misleading statements aimed at our children is beyond unlawful, it's morally wrong and a betrayal of trust. It's what causes consumers to lose faith in the products they buy," said Attorney General Becerra. "Today's settlement should make clear that the California Department of Justice will pursue false advertisers and hold them accountable."

The complaint further alleges that Gatorade promoted "Bolt!" on social media, drawing in a youthful audience of which more than 70 percent was aged 13 to 24. The app amassed more than 2.3 million downloads and 87 million games played worldwide in 2012 and 2013. The app was also made available on iTunes for a period of time in 2017. "Bolt!" was downloaded an estimated 30,000 times in California. It is no longer available for download.

As part of the settlement, Gatorade will be required to pay \$300,000, of which \$120,000 will be used to fund research or education on water consumption and the nutrition of children and teenagers. In addition, the settlement requires Gatorade to disclose endorser relationships in any social media posts and prohibits the company from advertising its products in media where children under age 12 comprise more than 35 percent of the audience. The settlement also prohibits the company from negatively depicting water in any form of advertisement.

So-called "advergAMES"—downloadable or internet-based video games that advertise a brand-name product by featuring it as part of the game—influence the behavior of consumers and especially children, who are the common targets of such games. Studies have shown that advergAMES can significantly impact a child's desire for either healthy or unhealthy foods.

Sports drinks often have a high sugar content. For example, one 32-ounce bottle of a sports drink could have as much as 56 grams of sugar, which is more than double the 25 grams of added sugar that any child or teenager aged 2 to 18 should consume in an entire day, according to the American Heart Association. Despite this, consumers commonly misperceive sports drinks to be beneficial for children in connection with any amount of sports activity. The American Academy of Pediatrics has made clear that children "rarely need sports drinks" and that "water, not sports drinks, should be the principal source of hydration for children and adolescents."

For additional resources regarding child and teenage nutrition, please see the following online resources:

The Clinical Nutrition Program at Stanford Children's Health, Lucile Packard Children's Hospital (<http://www.stanfordchildrens.org/en/service/nutrition-services>)

The Center for Nutrition in Schools, UC Davis (<http://cns.ucdavis.edu/>)

The United States Department of Agriculture's "ChooseMyPlate.Gov" (<https://www.choosemyplate.gov/>)

A copy of the complaint and the stipulated judgment containing the terms of the settlement are attached to the electronic version of this release at [oag.ca.gov/news](http://oag.ca.gov/news).

## **AG COFFMAN OBTAINS \$7 MILLION JUDGEMENT AGAINST TRAVEL CLUB SCAM**

Concern Scammers may still be Operating in Other States

DENVER, CO — Today Attorney General Cynthia H. Coffman announced that a Denver court has ordered Stephen Wunder, Andrew Wunder, Bethany Wunder, and Christian Wunder, who owned and operated the Broomfield-based travel clubs Sea to Ski Vacations and Traditions Travel Group, to pay over \$7 million to Colorado for defrauding consumers.

The Wunder family promised members of their travel club deep discounts at exotic hotels and timeshares around the world. In reality, the Wunders did nothing more than search online travel websites to book their clients' travels. Consumers ultimately paid the Wunders thousands of dollars for a service they could have gotten online for free.

The case stems from a 2013 lawsuit filed by the Colorado Attorney General alleging that the Wunders deceived consumers throughout the country in the operation of their travel club. The Court's most recent decision stems from an appeal filed by Stephen Wunder. In its Order, the Court increased the amount of its original judgment and ordered the Wunders to cease all business activities. It also permanently barred the Wunders from owning or working for any company that sells timeshares, condominium reservations, hotel reservations, airline tickets, or cruise line reservations.

"These individuals cannot be trusted to run a business," said Attorney General Coffman. "The court's seven million dollar judgement and order barring them from working in this industry again will help protect Coloradans, however, I am concerned that these defendants may be continuing to operate in other states. I urge all consumers to be careful and to do their homework before giving their hard earned money to any company, and to immediately report any fraud or suspicious behavior."

The Attorney General believes the Wunders are continuing to charge consumers' credit cards using a web of LLCs and aliases to mask their business activities. The Wunders registered and operated businesses in Arizona, California, Colorado, South Dakota, Texas, Utah, and Wyoming to hide their identities and squeeze as much money from unwitting consumers as they could. In one recent instance, the Wunders charged a New York couple's credit card without their permission using an Austin-based business called Member Club Services and a Los Angeles-based business called Top of the Line Productions. In another instance, the Wunders registered a Park City business called Condos and Cruises Worldwide with the Utah Secretary of State under the name of their incapacitated mother.

The Wunders' sales pitch included mailing postcards claiming that the recipient had won free airline tickets and other prizes, often using airline logos to suggest the airlines knew about these offers. The Colorado Attorney General warns that similar postcards using the Southwest, United, and Delta logos are frequently used to attract consumers to travel club and timeshare presentations.

The Attorney General believes Christian Wunder left Colorado for Chandler, Arizona, and Andrew and Bethany Wunder left Colorado for Austin, Texas. Stephen Wunder lives in Midway, Utah. If you have any information about any of these individuals or any companies they may be operating, or to report any other possible fraudulent activity, please file a complaint with the Colorado Attorney General at [www.stopfraudcolorado.gov](http://www.stopfraudcolorado.gov), or call 1-800-222-4444.

## **ATTORNEY GENERAL RACINE INTRODUCES LEGISLATION TO MAKE IT EASIER AND CHEAPER FOR DISTRICT RESIDENTS TO FREEZE THEIR CREDIT**

WASHINGTON, D.C. – Attorney General Karl A. Racine has introduced legislation to temporarily prevent the major credit-rating bureaus from charging to freeze a consumer's credit. Currently, under District law, the credit reporting agencies can charge consumers for a credit freeze unless consumers have been the victims of identity theft. The "Credit Protection Fee Waiver Emergency Amendment Act of 2017," and the "Credit Protection Fee Waiver Temporary Amendment Act of 2017," introduced to the Council of the District of Columbia, require credit reporting agencies to offer consumers free credit freezes. This will help consumers protect themselves in the wake of data breaches like the recent Equifax breach, an exposure of sensitive personal information that may have affected more than 350,000 District residents.

"One way for consumers to protect themselves from identity theft in the wake of a big data breach like this one is to freeze their credit," Attorney General Racine said. "District consumers – especially lower-income residents – shouldn't have to pay for Equifax's mistakes, so our bill prohibits credit reporting agencies from charging consumers to protect themselves."

The bill, which is being introduced as emergency and temporary legislation, now goes to the Council for review and approval; Councilmembers are expected to consider it on Tuesday, October 3. Although Equifax has waived its fee for freezing consumers' credit following the breach, the other major credit-reporting bureaus (Experian, TransUnion, and Innovis) continue to charge.

"I would like to thank Councilmember Charles Allen, Chair of the Committee on the Judiciary and Public Safety, for moving this bill on behalf of the Office of the Attorney General," Attorney General Racine added.

### **Fighting to Protect Consumers' Identities**

Attorney General Racine is leading a bipartisan coalition of state attorneys general who are investigating issues related to the Equifax breach. The coalition sent a letter to the company requesting that it disable its fee-based service for credit monitoring and reimburse consumers who have been forced to pay fees to freeze their credit.

Attorney General Racine recommends that District consumers take precautions in the wake of the breach, which may have affected as many as 143 million Americans. Equifax has established a dedicated website ([available here](#)) to help consumers determine whether they are at risk and to enroll in free credit monitoring. Given the massive size of the breach, Attorney General Racine suggests all District consumers take the following precautions:

Check to see if your personal information was compromised by visiting the special website Equifax has set up to assist consumers (<https://www.equifaxsecurity2017.com/>); Regularly review your credit reports to check for any suspicious activity;

Contact the Office of the Attorney General if you believe your identity has been stolen or your personal information may have been exposed by a retailer by calling OAG's Office of Consumer Protection through the OAG Consumer Hotline at (202) 442-9828, by sending an e-mail to [consumer.protection@dc.gov](mailto:consumer.protection@dc.gov), or online using OAG's Consumer Complaint Form.

If you are a victim of a data breach, and you are concerned that your Social Security number may be used to file a fraudulent federal income tax return in your name, you can go to the IRS's website at <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin> and obtain a six-digit PIN to use to authenticate your tax filings.

#### Resources to Protect Your Personal Information

For more information about how to monitor your credit and protect yourself against identity theft, see our Identity Theft Consumer Resource and browse our Online Consumer Protection Library for more ways to safeguard yourself against fraud.

### **ATTORNEY GENERAL SETTLES DATA BREACH CASE FOR \$264,000; ISSUES \$400 PER SOCIAL SECURITY NUMBER PENALTY**

The Attorney General reached a settlement today regarding a security breach involving the Social Security numbers of 660 Vermont Health Connect users. SAManage USA, Inc., a technology company that provides business-support services, agreed to alter its information security and legal compliance programs and to pay a penalty of \$264,000.

In July 2016, SAManage's IT ticketing system allowed an excel spreadsheet containing the 660 social security numbers to be viewed publicly without requiring authentication. A Microsoft Bing web crawler discovered the URL of the spreadsheet and incorporated it into its search results, where it was found by a Vermonter, who reported the breach to the Attorney General. The Attorney General then investigated the SAManage breach. It appeared that due to a miscommunication within the company, this breach would have gone unreported were it not for the Attorney General's intervention.

"My office takes data breach very seriously," said Attorney General T.J. Donovan. "Vermonters are increasingly aware of the dangers of mishandling Social Security numbers, and we will continue to protect them by enforcing our data breach and consumer protection laws," he said. "This is an appropriate penalty given the given the specific facts of this incident and that the company fully cooperated with our investigation." More information about the Attorney General Donovan's efforts to protect consumers and address data breaches can be found at <http://ago.vermont.gov/focus/consumer-info/privacy-and-data-security1.php>.

### **TEN INDIVIDUALS INDICTED IN CONNECTION WITH SEX TRAFFICKING, MONEY LAUNDERING OPERATION THROUGH ONLINE 'ESCORT' SERVICE**

Women Trafficked Through “Chloe’s Companions” Website in Boston, Braintree, Lexington, Newton and Waltham

BOSTON – Ten individuals have been indicted in connection with a sex trafficking and money laundering operation in which women were sold for sex in Massachusetts communities through a purported online “escort” service that was a front for human trafficking, Attorney General Maura Healey announced today.

The following individuals were indicted yesterday by a Statewide Grand Jury:

Sonya Palic (a.k.a. Chloe), age 46, of Manchester, NH

Trafficking Persons for Sexual Servitude (19 counts)

Deriving Support from Prostitution (19 counts)

Money Laundering (4 counts)

Conspiracy to Traffic Persons for Sexual Servitude (3 counts)

Conspiracy to Launder Money (4 counts)

Palic will be arraigned in Suffolk, Middlesex and Norfolk Superior Courts at later dates.

Charlotte Napolitano (a.k.a. Red), age 46, of Bedford, NH

Trafficking Persons for Sexual Servitude (19 counts)

Deriving Support from Prostitution (19 counts)

Conspiracy to Traffic Persons for Sexual Servitude (3 counts)

Napolitano will be arraigned in Suffolk, Middlesex and Norfolk Superior Courts at later dates.

Charles Cook, age 65, Marblehead, MA

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Conspiracy to Launder Money (1 count)

Sex for a Fee (1 count)

John Vivilecchia, age 53, Groveland, MA

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Conspiracy to Launder Money (1 count)

Sex for a Fee (1 count)

David Johnson, age 60, Carver, MA

Money Laundering (1 count)

Conspiracy to Launder Money (1 count)

Sex for a Fee (1 count)

Eric Simpson, age 44, Mendon, MA

Money Laundering (1 count)

Conspiracy to Launder Money (1 count)

Sex for a Fee (1 count)

Anthony DiDomizio, age 52, Manchester, NH

Trafficking Persons for Sexual Servitude (3 counts)

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Caleb Gerry, age 23, Gardner, MA

Trafficking Persons for Sexual Servitude (1 count)

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Richard Napolitano, age 43, Bedford, NH

Trafficking Persons for Sexual Servitude (1 count)

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Eric Peltak, age 44, Manchester, NH

Trafficking Persons for Sexual Servitude (3 counts)

Conspiracy to Traffic Persons for Sexual Servitude (1 count)

Cook, Vivilecchia, Johnson, Simpson, DiDomizio, Gerry, Richard Napolitano, and Peltak will be arraigned in Middlesex Superior Court at a later date.

Palic and Napolitano were initially arrested on Feb. 8 as a result of an investigation by the AG's Human Trafficking Division.

The AG's Office began an investigation in September 2016 after the matter was referred by the Waltham Police Department. The AG's investigation revealed that Palic and Napolitano ran an organized and sophisticated criminal enterprise from their home offices in New Hampshire.

They allegedly advertised and provided "escort" services in the Northeast, primarily in Massachusetts, but also in New Hampshire and New York, through their website, chloescompanions.com, which was set up as a front to facilitate commercial sexual activity.

Authorities allege that about 12 to 15 women were trafficked using this website at any given time. The website provided profiles of the women and a calendar for available dates and locations for each woman. The AG's Office obtained a court order to have the website taken down and it has since been removed.

Palic and Napolitano allegedly arranged for women to meet with men, either for "in-calls" or "out-calls" at hotels, to provide commercial sexual services in exchange for cash. Women were allegedly trafficked in local cities and towns including Boston, Braintree, Lexington, Newton and Waltham. Further investigation revealed that Richard Napolitano, who is Charlotte's husband, along with Peltak, Gerry and DiDomizio allegedly transported victims to these encounters and helped to collect and transport money involved in this trafficking operation.

Authorities allege that the majority of the money from these encounters went to Palic and Napolitano, which Palic laundered through businesses to perpetuate the daily operations of the criminal enterprise.

Further investigation by the AG's Office revealed that Cook, Vivilecchia, Simpson, and Johnson all helped to launder the money. Authorities allege that all four paid Palic for sex and Johnson allegedly paid her for sex through his company's payroll checks.

These charges are allegations, and all defendants are presumed innocent until proven guilty.

This case is being handled through the AG's Human Trafficking Division, which focuses on policy, prevention and prosecution and includes a team of specialized prosecutors, victim advocates and Massachusetts State Police troopers who handle high impact, multi-jurisdictional human trafficking investigations and prosecutions across the state. Through the Human Trafficking Division, the AG's Office has charged more than 35 individuals in connection with human trafficking since the law went into effect in 2012.

This case is being prosecuted by Assistant Attorney General Nancy Rothstein of the AG's Human Trafficking Division, with assistance from Paralegal Sindhu Kadhireshan and Victim Witness Advocate Rebecca Auld, Director in the AG's Victim and Witness Services Division.



It was investigated by Massachusetts State Police assigned to the AG's Human Trafficking Division, Investigator Sallyann Nelligan, Director of the AG's Financial Investigations Division and the AG's Digital Evidence Lab. Massachusetts State Police assigned to the Middlesex DA's Office and from the Crime Scene Service Section, New Hampshire State Police and Lexington, Newton, Waltham, Derry, N.H., and Manchester, N.H. Police Departments also assisted in this investigation, along with U.S. Immigration and Customs Enforcement's Homeland Security Investigations.

## **AG FERGUSON SUES ONE OF THE NATION'S LARGEST OPIOID MANUFACTURERS OVER STATE'S OPIOID EPIDEMIC**

SEATTLE — Attorney General Bob Ferguson today filed a lawsuit accusing OxyContin maker Purdue Pharma of fueling the opioid epidemic in Washington state, embarking on a massive deceptive marketing campaign and convincing doctors and the public that their drugs are effective for treating chronic pain and have a low risk of addiction, contrary to overwhelming evidence. This deceptive marketing resulted in the deaths of Washingtonians and devastation to Washington families.

The lawsuit contends Purdue conducted an uncontrolled experiment on the American public without any reliable clinical evidence that opioids are effective at treating chronic pain. To doctors and patients, Purdue consistently downplayed the risks of addiction from long-term use and deceptively represented opioids as safe for treating long-term chronic pain.

Purdue's deception yielded the company billions of dollars in profit nationwide from its opioid drugs. Ferguson's lawsuit seeks to force Purdue to forfeit the Washington portion of those profits. The City of Seattle filed a separate lawsuit today against Purdue, in addition to Teva Pharmaceuticals, Janssen Pharmaceuticals, Endo Pharmaceuticals and Allergan. The city and Ferguson announced their lawsuits together.

Both suits, filed today in King County Superior Court contend that Purdue's illegal conduct contributed to excessive prescriptions and addiction, causing many addicted patients to look for other ways — including illegal means — to get more pills or to get heroin. A 2014 study found that nearly 80 percent of heroin users reported using prescription opioids prior to heroin.

By filing the state's lawsuit, Ferguson has ended his participation in a multistate coalition investigating opioid manufacturers nationwide. Several states that have filed similar lawsuits are using outside attorneys to handle their cases. Washington is only the second state to handle its case internally.

"Purdue Pharma ignored the devastating consequences of its opioids and profited from its massive deception," Ferguson said. "It's time they are held accountable and pay for the devastation they caused."

"I stand together with Attorney General Ferguson in fighting for justice for patients who were prescribed opioids and became addicted, because they were not irresponsible; they were deceived,"

Seattle City Attorney Pete Holmes said. “Addiction to opioids and heroin does not stop at Seattle’s city limits. This is the city’s problem, the state’s problem, and everyone’s problem.”

“Most of our health care professionals want to do the right thing for patients, but some corporations sought to boost their bottom line to peddle opioids on false promises, which, in great part, created this crisis. These corporations must be held accountable. I appreciate the Attorney General taking this important step today,” Gov. Jay Inslee said. “This will help with some recompense so we can implement our state’s opioid response plan and my executive order with the goals to prevent the next generation from becoming addicted, to prevent overdoses and to treat people who have opioid use disorder, a true medical condition with an effective medical treatment.”

Purdue falsely claims that opioids improve long-term function, have a low addiction risk that can be managed or prevented and that increased doses of opioids do not pose significant additional risks to patients.

False claims of the safety, effectiveness of long-term use

Purdue aggressively marketed its opioids for chronic pain from conditions like headaches and low back pain, despite a lack of clinical evidence that they are effective and safe for long-term use. Despite Purdue’s efforts over more than two decades, the Centers for Disease Control & Prevention (CDC) noted in its 2016 guidelines that “there is no good evidence that opioids improve pain or function with long-term use.”

Other, safer options — like acetaminophen or non-steroidal anti-inflammatory drugs (NSAIDs), such as ibuprofen — are effective and carry fewer risks, the CDC added.

False claims of low addiction risk and “pseudoaddiction”

Among its marketing claims, Purdue distributed thousands of videos and pamphlets claiming that opioid addiction occurred in less than 1 percent of patients. The number was not based on a clinical study, but rather a 1980 letter to the editor in the New England Journal of Medicine. The actual addiction rate is as high as 26 percent, according to the CDC.

A study sponsored by Purdue asserted that “opioids were well tolerated with only rare incidence of addiction,” and the need for higher and higher doses as patients built up a tolerance to opioids “was not a clinically significant problem when managing patients with opioids long-term.”

When signs of addiction appeared in patients, Purdue persuaded doctors that what appeared to be addiction was actually under-treatment of their pain, and to respond by increasing opioid dosages. In marketing materials, Purdue told doctors and policymakers that “pain-relief seeking behavior can often be mistaken for drug-seeking behavior.”

The concept, called “pseudoaddiction,” was coined by Dr. J. David Haddox, who later became a Purdue executive. His theory was based on the case of a single cancer patient. No study has validated the theory of “pseudoaddiction.”

Despite a lack of evidence of “pseudoaddiction,” Purdue pushed this theory to convince doctors to give more drugs to patients who displayed signs of addiction, such as asking for early refills on their prescriptions or “doctor shopping” for additional prescriptions.

#### False claims on risks of overdoses

Opioids are most dangerous when taken long-term and when taken in high doses. In 2013, the FDA noted that research shows that risk of misuse and abuse is great for extended release long acting opioids and observed that these drugs are often used chronically.

Accordingly, the CDC recommends that physicians carefully reassess increasing opioid doses beyond 50 morphine milligram equivalents (MMEs), and avoid exceeding 90 MMEs per day.

Overdose risk for opioids begins at very low doses and doubles when the daily dose is between 20 MMEs and 49 MMEs. By 100 MMEs, the risk of death increases by nine fold. Overall, 1 in every 550 patients started on opioid therapy died of opioid-related causes a median of 2.6 years after their first opioid prescription. That number increased to 1 in 32 for patients receiving 200 MMEs per day.

Purdue's sales representatives were trained to reassure prescribers that there is "no ceiling" on the amount of OxyContin a patient could be prescribed.

#### Ignoring red flags

Purdue sales staff kept detailed records of prescriptions in Washington by prescriber, drug strength, quantity and other factors. Purdue then used that data to aggressively market its drugs to the highest prescribers in the state.

Washington state medical boards sanctioned some of these prescribers for failing to follow rules related to opioid prescriptions and putting patients at risk. The lawsuit alleges that, in several cases, Purdue salespeople ignored red flags and continued to target these providers with sales pitches.

Details of specific interactions between Washington state providers and Purdue representatives are redacted from the complaint because Purdue contends the information is competitively sensitive. Ferguson plans to file a motion to unseal this information to reveal to the public additional details about these interactions.

#### Violating previous court order

Purdue has faced court action before over its deceptive marketing of OxyContin.

A 2007 court order resulting from a consent judgment with Washington and 25 other states prohibited the company from making misleading statements regarding abuse, addiction or dependence in its marketing materials for OxyContin. Purdue also promised to create an Abuse and Diversion Detection Program to detect and take appropriate steps upon detecting "atypical" prescribing patterns — including reporting "pill mill" doctors to the authorities.

Despite the court order, Purdue has continued to engage in deceptive marketing and has remained silent about suspicious prescribers it should have reported.

#### Washington's epidemic

Prescriptions and sales of opioids in Washington skyrocketed more than 500 percent between 1997 and 2011. In 2011, at the peak of overall sales in Washington, more than 112 million daily doses of all prescription opioids were dispensed in the state — enough for a 16-day supply for every woman, man and child in Washington. More than 18.2 million daily doses of oxycodone were distributed in Washington in 2015.

Geographic areas in Washington with higher rates of opioid prescriptions show a strong correlation with higher overdose rates.

For example, Cowlitz, Clallam, Mason and Snohomish counties had the highest opioid overdose death rates in the state, according to the state Department of Health. Those counties also had some of the highest opioid prescription rates in the state.

Between 2009 and 2014, Washington saw a 60 percent increase in opioid-related hospital stays, the fourth-highest increase in the nation, according to a June study by the Agency for Health Care

#### Research and Quality.

In 2015, the number of overdose deaths in Washington exceeded the number of deaths from car accidents, or deaths from firearms — whether from suicide, homicide or accidental. The majority of drug overdose deaths in Washington between 2010 and 2015 — more than 6 out of 10 — involved an opioid.

#### Relief

Ferguson's lawsuit seeks civil penalties and damages. Ferguson also asks the court to order Purdue to give up the profits it made in Washington as a result of its illegal conduct. Sales of Purdue opioids are worth billions every year nationwide, and Washington's portion is expected to be in the millions.

The surrendered profits will be used to remediate the effects of Purdue's misrepresentations of opioids, possibly funding treatment, education and more.

Assistant Attorneys General Tad Robinson O'Neill and Kate Barach are leading the case for Washington.

Earlier this year, the Attorney General's Office hosted a summit on Washington's opioid epidemic in partnership with the Washington State Patrol and the Washington Association of Prosecuting Attorneys.

## **AG BALDERAS CALLS ON CONGRESS TO MAKE DRUG TREATMENT MORE AFFORDABLE AND ACCESSIBLE**

**"Road to Recovery" Act Will Make Drug Treatment Options More Available to New Mexico Residents**

This morning, Attorney General Hector Balderas, with a bipartisan coalition of 39 Attorneys General and the National Association of Attorneys General, called on Congress to pass legislation that changes federal law to make treatment for drug addiction more affordable and accessible for

Americans who most need it. “New Mexico’s families, economy, law enforcement and healthcare system are in crisis due to the opioid and heroin emergency ravaging our state, and we lack the resources to adequately respond,” said Attorney General Balderas. “That is why Congress must make drug treatment, specifically for opioid and heroin addiction, affordable for working New Mexico families. The ‘Road to Recovery’ Act will help those struggling with addiction gain access to treatment, and eliminate a decades-old Medicaid rule that limits residential treatment options.” HR 2938 is the “Road to Recovery” Act. Attorney General Balderas and the coalition of Attorneys General sent a letter to the U.S. House of Representatives, describing the national epidemic of heroin and opioid abuse and overdose deaths, and stating: “We cannot arrest our way out of this problem, because it is not just a public safety challenge – it is a public health challenge as well.” The “Road to Recovery” Act will help increase access to treatment for opioid addiction by removing a more than 50-year-old provision in the Medicaid program that currently acts as a barrier to residential addiction treatment. The bill addresses the “Institutions for Mental Diseases” (IMD) exclusion which was created in the original 1965 Medicaid legislation to prevent the funding of large, residential mental health facilities. While the exclusion led to the closure of what were, in many cases, inhumane institutions, it now has the unintended effect of limiting Medicaid funding for residential treatment facilities, which can be one of the most effective ways to treat drug addiction. The “Road to Recovery” Act will remove the exclusion for addiction treatment facilities only. This will help open new avenues for addiction treatment while maintaining appropriate restrictions on mental health facilities. The change in the law is supported by health care providers, insurers, treatment centers, governors of both political parties and the President’s Commission on Combating Drug Addiction and the Opioid Crisis.