

More than 1 million OxyContin pills ended up in the hands of criminals and addicts. What the drugmaker knew

By HARRIET RYAN, LISA GIRION AND SCOTT GLOVER

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In the waning days of summer in 2008, a convicted felon and his business partner leased office space on a seedy block near MacArthur Park. They set up a waiting room, hired an elderly physician and gave the place a name that sounded like an ordinary clinic: Lake Medical.

The doctor began prescribing the opioid painkiller OxyContin – in extraordinary quantities. In a single week in September, she issued orders for 1,500 pills, more than entire pharmacies sold in a month. In October, it was 11,000 pills. By December, she had prescribed more than 73,000, with a street value of nearly \$6 million.

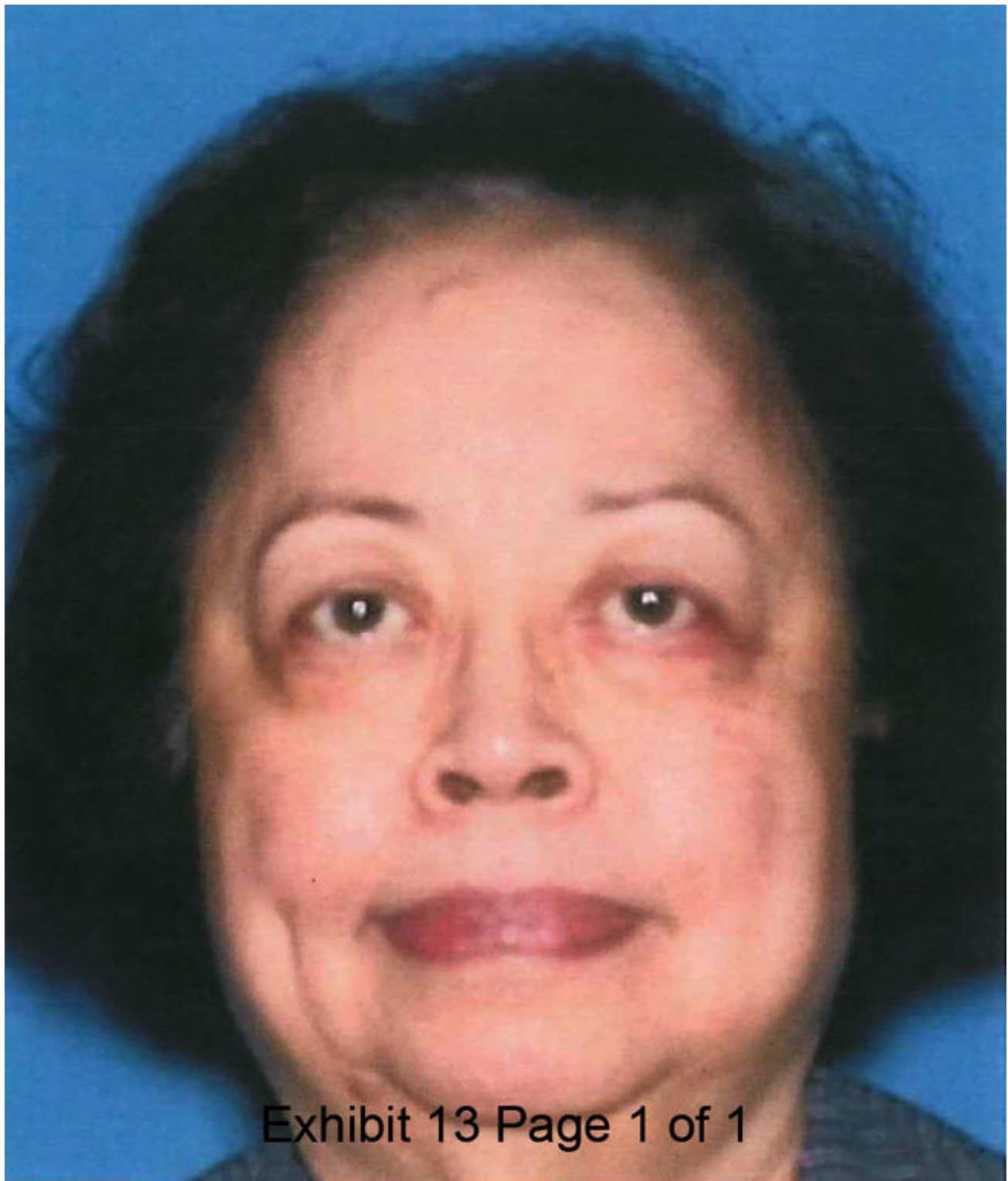


Exhibit 13 Page 1 of 1

During a single week in September 2008, Eleanor Santiago of Lake Medical, issued orders for 1,500 pills, more than entire pharmacies sold in a month. (Court exhibit)

At its headquarters in Stamford, Conn., Purdue Pharma, the maker of

OxyContin, tracked the surge in prescriptions. A sales manager went to check out the clinic and the company launched an investigation. It eventually concluded that Lake Medical was working with a corrupt pharmacy in Huntington Park to obtain large quantities of OxyContin.

“Shouldn’t the DEA be contacted about this?” the sales manager, Michele Ringler, told company officials in a 2009 email. Later that evening, she added, “I feel very certain this is an organized drug ring...”

Purdue did not shut off the supply of highly addictive OxyContin and did not tell authorities what it knew about Lake Medical until several years later when the clinic was out of business and its leaders indicted.

By that time, 1.1 million pills had spilled into the hands of Armenian mobsters, the Crips gang and other criminals.

A Los Angeles Times investigation found that, for more than a decade, Purdue collected extensive evidence suggesting illegal trafficking of OxyContin and, in many cases, did not share it with law enforcement or cut off the flow of pills. A former Purdue executive, who monitored pharmacies for criminal activity, acknowledged that even when the company had evidence pharmacies were colluding with drug dealers, it did not stop supplying distributors selling to those stores.

Purdue knew about many suspicious doctors and pharmacies from prescribing records, pharmacy orders, field reports from sales representatives and, in some instances, its own surveillance operations, according to court and law enforcement records, which include internal Purdue documents, and interviews with current and former employees.

Sounding the alarm

[September 1, 2009](#)

"Shouldn't the DEA be contacted about this?"

[Purdue district manager Michele Ringler urges company officials to alert the DEA. She later recalled a previous visit to the clinic and said, "I feel very certain this is an organized drug ring..."](#)

quality is terrible and they are anticipating
!

ler is not going to be selling to this pharmacy
n those doctors. I think it is very dangerous
. I'm also very concerned that the owner of
g to these physicians that he was paid a visit
Shouldn't the DEA be contacted about this?

[September 2, 2009](#)

A Purdue officials response

[Jack Crowley responds to Ringler's concern.](#)

Crowley, Jack
Ringler, Michele
Limer, Gina; Taggart, Bruce
9/2/2009 1:28:53 PM
RE: [REDACTED]

- we are considering all angles, and I appreciate

Joseph Rannazzisi, who was the top DEA official responsible for drug company regulation until last year, said he was not aware of the scope of evidence collected by Purdue. Under federal law, drugmakers must alert the DEA to suspicious orders. The agency interprets that law, he said, to include a duty to reject orders from customers if the company suspects pills are going to the black market.

“They have an obligation, a legal one but also a moral one,” he said.

This is the second part of an L.A. Times investigation of OxyContin, the nation’s best-selling and widely abused painkiller.

The story is based on interviews with current and former Purdue employees, law enforcement officials, medical professionals, pharmaceutical industry experts and others as well as court filings, law enforcement records and internal Purdue documents. The company records come from court cases and government investigations and include many records sealed by the courts.

The federal government has not accused Purdue of any wrongdoing in the case of Lake Medical or other suspected drug operations.

In [a statement](#), a Purdue lawyer said the company had “at all times complied with the law.” General counsel Phil Strassburger said Purdue had reduced supplies of OxyContin to distributors servicing some pharmacies it suspected

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