THE WALL STREET JOURNAL.

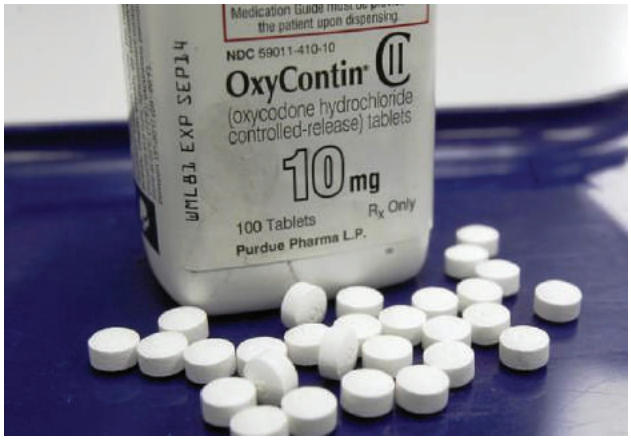
JULY 25, 2016

Risk & Compliance Journal.

Crisis of the Week: Purdue Pharma Confronts Oxycontin Allegations

By BEN DIPIETRO

This is a weekly commentary by external experts. *Purdue Pharma LP, the drug company that makes painkiller OxyContin, is this week's crisis focus, following an L.A. Times investigation that claims the company had evidence its pills were being sold illegally but did nothing to stop it and didn't inform law enforcement until several years later. The company sent a statement to the newspaper saying it "at all times complied with the law." It set up a "fact page" on its website citing its history of cooperation with law enforcement and said the newspaper story "wildly distorts" the company's role in policing pharmacy supply chains. The company also rejected claims made in a May L.A. Times story about whether OxyContin's effects lasted for 12 hours, as the company claimed. The experts evaluate how well it is responding to the allegations made in the newspaper's reports.*



February 2013 file photo shows OxyContin pills at a pharmacy in Montpelier, Vt. PHOTO: ASSOCIATED PRESS/TONY TALBOT

Hugh Braithwaite, chief executive, Braithwaite Communications: "Purdue failed in its response on the diversion issue on two fronts. First, it launched into its defense with no consideration of validating the high-level issue. Any crisis that involves significant harm or loss of life must first acknowledge the issue at hand. This doesn't require anything close to an apology but does demand some emotional validation of the issue. Purdue's response misses that crucial point, and loses trust right off the bat.

"The second point of failure is its defensive tone. There is a saying in crisis communications: 'When you're defending, you're losing.' Purdue defended too soon and too often and, in my opinion, lost. Peppering its response with self-promotion only made things worse. A point-for-point defense rarely vindicates and more often reinforces the points at issue. Its approach was tailor-made for winning in court–as evidenced by its author, the general counsel, who's paid to defend. Legal-speak rarely works in media.

"In crisis, the public wants to know two things: that you care about the issue and that you are doing your best. Purdue seemed to miss the point of an effective response–maintain or restore public trust.

[That said], Purdue's response to the 12-hour issue works on a number of levels. In its letter to the editor, and 'Get the Facts' section on its website, the company battles perception with one of the strongest weapons in crisis response: clinical and regulatory data. By citing the data at a high level, the letter is effective in casting significant doubt on the newspaper's process and potential bias. And, unlike its response to the diversion issue, the letter to the editor is authored by the company's chief medical officer, a credible and more appropriate source than the general counsel. Purdue gets another point with its high-level acknowledgement of the issue."

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Shannon Wilkinson, CEO, Reputation Communications: "Purdue Pharma's OxyContin crisis is the direct result of investigative journalism by The Los Angeles Times, which has won 44 Pulitzer Prizes for its reporting. That point is relevant because Purdue Pharma's response to this crisis has been to slam the messenger in the series of rebuttals it has posted on its website.

"The company did the right thing by posting a series of clearly laid out responses to the L.A. Times' statements on its website. But the defensive tone of much of that content is counterproductive. Another mistake Purdue has made is not giving Chief Executive Mark Timney a leadership role in this crisis. None of Purdue's public responses to this crisis are attributed to Mr. Timney. There is no video of him on the site. He is as absent as the founders and private owners of Purdue, who are not even identified on the company's website.

"Purdue Pharma can only exacerbate the crisis with its current approach. At a time when its integrity is being questioned, the company cannot effectively attack the credibility of an institution like the L.A. Times. And that appears to be its main tactic."

Vincent Schiavone, chief executive, AKUDA Labs & UDA: "Risk and compliance in the pharma space is a complex environment of regulatory oversight, public concern, medical community debate and activist/advocate pressures. Abuse, misuse, and diversion of powerful medicines by patients, doctors and people in distribution channel is a major problem for all involved, including the manufacturers.

"Purdue Pharma responded very well on all levels to the attack piece on its product, policies and practices. The response strategy and execution was appropriate and tailored to the regulatory, legal and public audience it must address. There were three main elements of its response that stand out. Before the story, Purdue met with the L.A. Times in a controlled and off-the-record information session where it provided information, third-party documentation (Food and Drug Administration letters and medical studies) and official statements. This provided information in a controlled manner without exposing executives to open debate.

Second, Purdue controlled the response in writing to the newspaper and publically published the responses on its website as appropriate in a highly regulated and litigious industry. It effectively presented its data and corrected information in the story it felt was inaccurate. Third, it presented extensive third-party evidence. Purdue linked to FDA public documents and several external studies that supported its position. Purdue effectively supported the fact the usage, dosage and label warnings are strictly controlled by the FDA, which independently reviews all medical studies."