

Wednesday, January 9, 2008



WHISTLEBLOWING
JOEL HESCH

Killing consumers for the almighty dollar

Posted: January 9, 2008
1:00 a.m. Eastern

By Joel Hesch

© 2008

Companies don't take responsibility for their actions any more – except when they fear that sales might be affected if they don't. Even when they do get caught committing fraud, they often show no true signs of remorse. Rather than take full responsibility, they downplay their role or make up excuses.

Consider the serious fraud of the Purdue Frederick Company, Inc., the maker of a very powerful prescription drug called Oxycontin.

Corporate executives at Purdue Frederick were delighted to discover that the drug worked wonders in relieving pain. But there was a dark side; Oxycontin was terribly addictive. Even taken in small doses, for short periods of time, it could turn average Americans into helpless addicts.



Oxycontin

It's a classic example of the old saying: "The cure was worse than the disease." Most people would immediately refuse to take such a horribly addictive drug, especially when there are so many other, less hazardous, painkillers on the market. It's only common sense. Purdue Frederick recognized this. And, since no one would buy such a drug if they knew the truth, they decided to lie.

Imagine the company's position. It had a drug worth billions of dollars in profits – but it could only reap them if it "failed to mention" that the drug was addictive. In today's corporate greed culture, you can guess what path the company chose.

The tests conducted by the Purdue Frederick proved without a doubt that Oxycontin was highly addictive, but the company suppressed that information. Rather, it told doctors that Oxycontin was mildly addictive and no more subject to abuse than other leading pain medicines. Of course, there was no medical research to support such claims, only greed and the willingness to lie.

In the pharmaceutical industry, claims about new products must be backed up by research. Since Purdue Frederick Company didn't like the results of its own research, it created misleading graphs and published articles in medical journals falsely touting its product as safe.

(Column continues below)

Once the drug was approved, it even gave its sales force marketing tips, instructing them how to lie about the product to increase sales. The company instructed all of its 350 marketers to spend 70 percent of their time convincing doctors that Oxycontin was safe and effective. As a result, its sales soared. In the first five years, sales exceeded \$2 billion, and would soon start to surpass \$1 billion per year. The large profits only encouraged the company to keep suppressing information that kept rolling in about the actual harm this drug was causing to those who used it. The more convincingly the evidence showed the drug was hazardous, the more loudly Purdue Frederick proclaimed it was safe.

The truth was that Oxycontin had similar effects to morphine and heroin. Many people died from using it. Untold numbers have become addicted to it.

Even though it was first marketed in 1995, it was not until late last year that the government obtained a criminal conviction for blatant fraud – fraud that cheated taxpayers of billions of dollars, destroyed lives and killed people.

Sadly, no one went to jail, and the company got to keep its \$1 billion a year profits from sales of a deadly drug it knew full well should not have been widely distributed. Purdue Frederick was only required to pay \$635 million altogether, to resolve both the criminal actions and the claims of overpayments to the government.

Fortunately, a whistleblower finally did step forward. Not only did he receive a large monetary reward, but he had the pleasure of knowing that he probably saved many lives.

It is time to stand up to corporate greed. The government needs your help and is willing to pay large rewards if you step forward to report corporate fraud. No amount of money is worth keeping silent when others will suffer or even die so a company can make more profit.

It's up to you to do what's right when a company chooses to do what's wrong.

Special offer:

Get Hesch's book, "Whistleblowing: A Guide to Government Reward Programs: How to Collect Millions of Dollars for Reporting Fraud."

Joel Hesch spent 15 years as an attorney in the Fraud Section of the Department of Justice helping administer the national whistleblower reward program. He is the author of "Whistleblowing: A Guide to Government Reward Programs: How to Collect Millions of Dollars for Reporting Fraud." Hesch is currently a professor at Liberty University School of Law and represents whistleblowers filing for rewards. His website contains up-to-the-minute updates on these reward programs.