

The Virgin Islands Consortium

Purdue Pharma Settlement Secures \$1.58M for USVI Opioid Response

Part of a historic \$7.4 billion deal, the funds will aid local overdose prevention and treatment programs as the territory joins a nationwide push for accountability, transparency, and healing from decades of pharmaceutical misconduct.

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The U.S. Virgin Islands is set to receive approximately \$1.58 million over the next 15 years as part of a historic \$7.4 billion settlement with Purdue Pharma and the Sackler family, announced on January 22, 2025.

The agreement, which addresses the pharmaceutical giant's role in fueling the opioid crisis through aggressive marketing of OxyContin, marks a notable step toward accountability and recovery funding for communities across the United States and its territories. For the USVI, the settlement offers a critical lifeline to bolster treatment, prevention, and recovery programs for opioid addiction.

The settlement, negotiated by a bipartisan coalition of 15 state attorneys general and joined by all 55 eligible U.S. states and territories, including the USVI, is the largest of its kind targeting individuals responsible for the opioid epidemic. It requires the Sackler family, Purdue's owners, to pay up to \$6.5 billion and Purdue to contribute roughly \$900 million, with a significant portion of the funds distributed in the first three years. The agreement, pending approval by the U.S. Bankruptcy Court for the Southern District of New York, also ends the Sacklers' control of Purdue and bars them from selling opioids in the United States.

For the USVI, the \$1.58 million allocation, though modest compared to larger states like California (\$440 million) or New York (\$250 million), is a vital resource for a territory with limited healthcare infrastructure. The funds are expected to support local initiatives such as opioid use disorder treatment, Narcan distribution for first responders, and community-based recovery programs. "The opioid crisis has taken thousands of lives and destroyed families and communities across the country," said Montana Attorney General Austin Knudsen, whose state will receive \$16.57 million. "The money we get from this settlement will help stop further damage from being done and save lives."

The USVI, like many regions, has faced challenges from the opioid epidemic, though its smaller population means fewer reported overdoses compared to mainland states. In 2023, the territory recorded 12 opioid-related deaths, a stark reminder of the crisis's reach even in smaller communities. Local health officials have emphasized the need for targeted interventions, including expanding access to addiction treatment and addressing social determinants like poverty that exacerbate substance misuse.

The settlement follows years of legal battles against Purdue Pharma and the Sackler family, whose aggressive marketing of OxyContin in the 1990s and 2000s fueled a nationwide addiction crisis. Purdue, under Sackler leadership, promoted the drug as a safe painkiller, downplaying its addictive potential despite mounting evidence. The resulting epidemic has claimed over 800,000 lives across the U.S.

"This settlement holds the Sacklers and Purdue Pharma accountable for the pain they've caused our state and our country," said West Virginia Attorney General JB McCuskey. "Now, hopefully, we can start to recover and turn the page on the opioid crisis." The agreement comes after the U.S. Supreme Court overturned a previous \$6 billion settlement in June 2024, ruling that the Sacklers could not receive blanket immunity from lawsuits without personally filing for bankruptcy. The new deal, which does not offer such protections, allows creditors to pursue civil action against the Sacklers if they opt out of the settlement.

The settlement includes non-monetary concessions, such as Purdue's transformation into a public benefit company focused on producing overdose-reversal medications. Additionally, over 30 million documents related to Purdue's opioid business, including privileged communications about OxyContin's FDA approval and marketing tactics, will

be made public, offering unprecedented transparency.

While the settlement is a milestone, it has drawn criticism from some victims and advocates who argue it falls short for those directly harmed. Approximately \$850 million is set aside for individual victims, including those addicted to Purdue's opioids or families of those who died from overdoses. However, with 140,000 claimants, this translates to modest payouts for individuals, often just a few thousand dollars. "I'd still give it an F at this point because it still falls short of anything meaningful that victims will receive," said Ryan Hampton, an addiction recovery advocate and former OxyContin user who served on a creditors' committee in the Purdue bankruptcy case.

The \$7.4 billion settlement is part of a broader wave of opioid-related agreements totaling over \$50 billion from drug manufacturers, distributors, and pharmacies. The USVI has benefited from previous settlements, including a 2021 deal with distributors Cardinal, McKesson, and AmerisourceBergen, though specific territorial allocations were not detailed, according to the National Opioid Settlement website. The Purdue settlement, however, stands out for targeting individual accountability, with the Sacklers—Richard, Kathe, Mortimer Jr., Ilene, David, Theresa, and the estates of Jonathan and Beverly—named explicitly.