



# Office of Inspector General News

For Immediate Release  
January 23, 2009  
Phone Number: 202/619-1343

Office of Inspector General  
Dept. of Health and Human Services  
330 Independence Avenue  
Washington, DC 20201

## Administrative Law Judge Upholds HHS-OIG Exclusions Imposed Against Responsible Corporate Officers in OxyContin Case

The Office of Inspector General (OIG) for the Department of Health and Human Services (HHS) announced today that on January 9, 2009, Administrative Law Judge Carolyn Cozad Hughes affirmed the OIG's imposition of a 15-year exclusion from all Federal health care programs against Michael Friedman, Paul Goldenheim, M.D., and Howard Udell for their roles as responsible corporate officers who failed to prevent misbranding and fraudulent distribution of OxyContin by Purdue Frederick, the manufacturer and distributor of OxyContin.

The three petitioners are former executives of Purdue Frederick. Mr. Friedman served as Chief Operating Officer and then Chief Executive Officer, Dr. Goldenheim as Chief Scientific Officer, and Mr. Udell as General Counsel. In 2007, Friedman, Goldenheim, and Udell each pleaded guilty as responsible corporate officers to one count of misdemeanor misbranding of OxyContin at the same time that Purdue Frederick pleaded guilty to felony misbranding of OxyContin.

OIG has the authority to exclude from participation in Medicare, Medicaid and other Federal health care programs individuals who have been convicted of certain crimes, including criminal offenses related to fraud or to the unlawful distribution of controlled substances. OIG exclusions protect the integrity of the Federal health care programs and protect beneficiaries from the risk of harm by untrustworthy individuals.

Judge Hughes found that Friedman, Goldenheim, and Udell had, as responsible corporate officers, the responsibility and authority to "prevent or correct" Purdue Frederick's misbranding but "failed to do so." In affirming the 15-year period of exclusion, Judge Hughes noted that the costs to government programs and individuals were "astronomical" and that Friedman, Goldenheim, and Udell's offenses "endangered the health and safety of program beneficiaries and others."

The OIG previously excluded Purdue Frederick for 25 years as part of a global resolution between the United States, Purdue Frederick, and Purdue Pharma, a related company. As part of the same global resolution, the two Purdue companies agreed to pay \$600 million in restitution and to settle their civil and criminal liabilities and Purdue Pharma entered into a five-year Corporate Integrity Agreement with OIG.

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