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BUSINESS

Nonprofits Grow Uneasy With Philanthropy Tainted by Opioid Proceeds

Columbia University reviews its philanthropic relationship with Purdue Pharma's Sackler family



Columbia University in New York City is reviewing its philanthropic relationship with the Sackler family, whose company produces the opioid OxyContin. PHOTO: EDUARDO MUNOZ/REUTERS

By *Jared S. Hopkins*

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Two prominent institutions, the New York Academy of Sciences and Columbia University, are joining the list of universities, museums and nonprofits currently reviewing their philanthropic relationships with members of the Sackler family, owners of pain-pill maker Purdue Pharma LP.

Forbes ranked the Sacklers the 19th-richest family in America in 2016 at \$13 billion. While a total assessment of the family's philanthropy is unclear, millions have been given away by family entities. For example, the Mortimer D. Sackler Foundation distributed more than \$2.7 million from 2015 to 2017, tax records show. And the London-based Sackler Trust distributed £8.4 million (\$11 million) in 2017, according to documents filed with the U.K. Charity Commission.

The Sacklers have been the subject of new scrutiny since January. A judge last month unsealed new information in a suit from the Massachusetts attorney general against Purdue, eight Sackler family members and other board members and executives for allegedly contributing to the state's opioid epidemic through aggressive marketing of the painkiller OxyContin.

Purdue has denied the allegations in the Massachusetts case.

A spokesman for Sackler family members said, "For more than half a century, several generations of Sacklers have supported respected institutions that play crucial roles in health, research, education, the arts and the humanities. It has been a privilege to support the vital work of these organizations and we remain dedicated to doing so. While plaintiffs' court filings have created an erroneous picture and resulted in unwarranted criticism, we remain committed to playing a substantive role in addressing this complex public health crisis. Our hearts go out to those affected by drug abuse or addiction."



A sign with the Sackler name is displayed at the Metropolitan Museum of Art in New York City. PHOTO: SETH WENIG/ASSOCIATED PRESS

The Sackler family has rarely spoken publicly about OxyContin and the wider opioid crisis, while cultivating over decades an image as global benefactors of the arts and sciences. Recipients include the Metropolitan Museum of Art in New York, the Louvre in Paris and Yale University. The Sackler name is attached to professorships, awards, museum galleries and buildings.

At the New York Academy of Sciences, home of the Sackler Institute for Nutrition Science, the family's philanthropy is under discussion with the academy's leadership, according to a person familiar with the matter. The institute is supported by a Sackler foundation.

Similar discussions are being held at Columbia University, where the Sacklers' funding has included a professorship, awards and an institute in its psychiatry department, according to a

person familiar with the matter. In a statement, the university said it isn't currently accepting donations from Sackler-related entities. "We have re-evaluated accepting donations from the Sackler family's philanthropies and are not taking gifts from them," a university spokesman said.

The Sackler family spokesman said, "We are proud of our long association with and support of Columbia. We understand the University's decision to take time to carefully evaluate the situation without accepting allegations at face value before all of the facts have been presented."

These institutions add to the list of prominent recipients of Sackler family donations that have said in recent weeks they are reviewing their policies in the wake of the lawsuits, including Tufts University, the University of Connecticut and the Met.

Three Sackler brothers—Raymond, Arthur and Mortimer—helped build Purdue into a powerful drug company after buying its predecessor in 1952. OxyContin, approved by U.S. regulators in 1995, became the company's breakthrough product and remains its biggest-selling drug. The three brothers have died, but the company is still entirely owned by Sackler members through family-controlled trusts.

Some family members have said their donations aren't from funds related to OxyContin sales or distribution. The Arthur M. Sackler Gallery at the Smithsonian Institution in Washington, D.C., opened in 1987, the same year Arthur Sackler died. None of his donations made before his death, or subsequently in his name by his widow, Dame Jillian Sackler, or their heirs, came from sales of OxyContin, according to a spokeswoman for Mrs. Sackler. Arthur Sackler's heirs haven't been named in any opioid litigation.

The Massachusetts document unsealed in January cited scores of emails and other internal communications that suggested family members had a heavy hand in marketing and operating the Stamford, Conn., company. The family-controlled board was the "de facto CEO," the company's future chief executive said in 2017, according to the filing.

Purdue and other drugmakers are facing lawsuits from 37 states and more than 1,500 cities and counties for their alleged role in the crisis.

In a statement, Purdue said, "Many leading medical, scientific, cultural and educational institutions throughout the world have been beneficiaries of Sackler family philanthropy for nearly seven decades, including long before OxyContin was approved by the FDA in December 1995. Since that approval, OxyContin has been and continues to be appropriately prescribed by doctors to bring needed relief to thousands suffering from severe pain, including those with



Protesters outside Purdue Pharma headquarters in Stamford, Conn. PHOTO: JESSICA HILL/ASSOCIATED PRESS

cancer
and
terminal
illnesses.
”

Activists
have
been
putting
pressure
on
institutions to stop

accepting Sackler family donation money. Earlier this month, the Solomon R. Guggenheim Museum in New York—home to the Sackler Center for Arts Education, funded by a gift from the Mortimer D. Sackler family—was the location of a surprise protest by Prescription Addiction Intervention Now, or P.A.I.N., an anti-opioid organization. Similar protests have been held at Harvard, the Met and the Smithsonian.

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Experts in philanthropy and nonprofits said returning funds or removing the Sackler name may be difficult. Any changes would depend on the contracts that usually accompany large donations that lead to naming rights, plus the willingness of the parties to negotiate a resolution, said Marcus Owens, a partner at law firm Loeb & Loeb LLP and former director of the Internal Revenue Service’s exempt-organizations division. Mr. Owens said contracts sometimes, though rarely, include a clause related to the donor’s public behavior and ensuring the donor upholds the integrity of the institution.

“For the institutions, it’s a real balancing act where there hasn’t been an actual conviction of a crime, and it’s more that the donors have done something that is optically troubling to the recipient,” Mr. Owens said.

Institutions have returned gifts before. In 2005, David Radler pleaded guilty to federal charges for his role in a \$32 million fraud at Hollinger International Inc., and his alma mater, Queen’s

University in Kingston, Ontario and Toronto, returned a \$1 million gift and stripped his name from a wing in its business school.

The University of Connecticut, which after a review found about \$4.5 million donated by Raymond and Beverly Sackler over about 30 years, said future donations from the Sacklers aren't expected and would need to be "for a good and worthy cause," according to a spokeswoman. She said returning funds wouldn't "undo the damage of the opioid crisis or punish the family or the company they are associated with."

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Tufts' plan to review its Sackler donations comes after the Massachusetts filing in January suggested that Purdue and some family members sought to influence the university and its hospital through donations. The Sackler School of Graduate Biomedical Sciences was

established in 1980 by the Purdue-founding brothers. The Arthur M. Sackler Center for Health Communications was created three years later.

A pledge of £1 million (\$1.3 million) by the Sackler Trust is currently under its normal review process for donations at the National Portrait Gallery in London, a gallery spokeswoman said. Among the approximately five dozen other recipients of donations from Sackler family members and charitable organizations contacted by the Journal, about two dozen declined to comment or didn't directly address specific questions about the Sacklers. About 10 institutions contacted expressed gratitude for donations and didn't indicate that they are conducting a review or planning any changes. For example, there are no plans to rename Sackler Crossing, a bridge at the Royal Botanical Gardens at Kew in London, installed in 2006, according to a spokeswoman.

The Jewish Museum in Berlin has ruled out returning a donation for a staircase in the family's name because it would force the museum to use public funding, a spokeswoman said. Additionally, renaming the staircase would "be an inappropriate attempt to disguise what happened. It would also contradict the fact that we acted in good faith in 2002," she said.

—Sara Randazzo contributed to this article.

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