



OFFICE OF THE ATTORNEY GENERAL  
CONNECTICUT

WILLIAM TONG  
ATTORNEY GENERAL

August 3, 2021

**By Email**

The Honorable Martin Looney, Senate President *Pro Tem*  
The Honorable Matthew Ritter, Speaker of the House  
The Honorable Kevin Kelly, Senate Republican Leader  
The Honorable Vincent Candelora, House Republican Leader  
Legislative Office Building  
300 Capitol Avenue  
Hartford, Connecticut 06106

Re: *Opioid Distributors/Johnson & Johnson Settlement*

Dear President Pro Tempore Looney, Speaker Ritter, Minority Leader Kelly, and Minority Leader Candelora:

I am in receipt of a letter from Senators Kelly, Formica, Hwang, and Somers dated July 22, 2021, expressing their view that the proceeds of the \$26 billion settlement with the nation's largest pharmaceutical drug distributors and Johnson & Johnson, of which Connecticut is projected to receive approximately \$300 million over a period of years that differs between the agreements, must be directed to continue our state's fight against the opioid and addiction epidemic. I strongly agree with the Senators that this is a rare and critical opportunity to expand our work together to end this urgent public health crisis in our state and across the country.

To that end, I am providing the following initial guidance on the settlement agreements and our state's obligations thereunder. My office and I are ready to provide active and continuing guidance and assistance as the state determines how to deploy these resources most effectively.

*Distribution.* The proceeds of the settlement will be distributed as follows: 85% will be distributed to the state and 15% to municipalities who sign on to the settlement agreements. (The 85% distributed to the state consists of 70% for prospective abatement efforts only, and the remaining 15% is intended for abatement generally).

*Abatement.* This settlement is the product of years of investigation, litigation and negotiation by a bipartisan coalition of state Attorneys General. Almost all of us and our respective states have been actively engaged in opioid matters. Connecticut has played a central role, particularly in focusing the states on the distributors and Johnson & Johnson and their role in causing and fueling this crisis. From the very beginning, state Attorneys General have adhered to an overarching principle – that

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the money we recover from wrongdoers must be directed to “abatement,” *i.e.*, strategies, initiatives and programs that help our states, victims and their families confront and overcome the crisis in opioid abuse and addiction. To me, this means that we should direct money to treatment, prevention and addiction science.

This abatement principle is explicitly defined in the settlement agreement as “Opioid Remediation”:

“*Opioid Remediation.*” Care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic. Exhibit E provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses.

Exhibit E to the settlement agreement includes an extensive list of “abatement strategies” and examples of Opioid Remediation, which includes but is not limited to funding Naloxone (NARCAN), medication-assisted treatment, expansion of so-called “warm hand-off” programs, prevention programs, and education, training, and research.

Throughout the lengthy negotiation process, my staff and I worked diligently to ensure that any settlement terms would include language maximizing the portion of the settlement funds that would go directly to Opioid Remediation. This priority has been at the forefront of every negotiation, and those concerns have been shared by attorneys general from both parties across the country. That is why the language in the agreements explicitly conveys that priority.

Specifically, the terms of the settlement agreements require that no less than 85% of the Settling Distributors’ payments and no less than 86.5% of Johnson & Johnson’s payments be directed to Opioid Remediation. To the extent states expend funds on costs and expenses that do not meet the definition of Opioid Remediation, those expenditures must be reported to the settlement fund administrator and these reports will be available to the public. The settlement agreements do provide for the payment of attorney fees related to the prosecution of our investigations, lawsuits and settlement negotiations. (Connecticut is represented by me and attorneys and staff in our office. Other states are represented by counsel in different and varying degrees).

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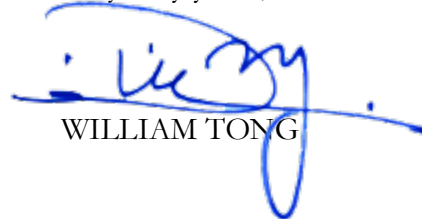
*State Expenditures.* Notwithstanding the explicit and directed language of the settlement agreements, the final decision on the actual appropriations is ultimately up to the legislature and Governor Lamont, with input from the public and key stakeholders.

State Attorneys General also built in an explicit mechanism for public and stakeholder input. The settlement agreements require the state to designate an “Opioid Settlement Remediation Advisory Committee” to solicit public input and make recommendations regarding Opioid Remediation spending. This Committee will be governed by formal rules with regard to composition, which must include at least an equal number of local representatives as state representatives, a process for receiving input from municipalities and other groups, and other administrative requirements. I look forward working with the Governor and legislature to establish Connecticut’s Advisory Committee and remaining engaged on this issue as we consider how these funds can best be used to address the growing opioid problem in our state.

Apart from that committee, I also urge you to convene public hearings and other stakeholder meetings, as appropriate, to help inform the state’s deployment of these critical resources.

Thank you for your work on this most pressing issue. My office will be in contact to schedule a further briefing on the details of the settlement at your convenience.

Very truly yours,



WILLIAM TONG

CC: The Honorable Ned Lamont  
The Honorable Melissa McCaw  
The Honorable Paul Formica  
The Honorable Tony Hwang  
The Honorable Ned Lamont