



## Corporate Accountability: Fighting the Opioid Epidemic in North Carolina

### WHAT IT IS

The NC Memorandum of Agreement (NC MOA) governs how North Carolina would use the proceeds of any future national settlement or bankruptcy resolution with drug distributors Cardinal, McKesson, and AmerisourceBergen and opioid manufacturers Johnson & Johnson and Purdue Pharma. These potential settlements and resolutions could bring as much as \$850 million to North Carolina over an 18-year period to support state and local efforts to address the epidemic.

### WHAT IT DOES

**Dedicates all funds to addressing the opioid epidemic.**

**Enables North Carolina to maximize resources to abating the crisis.** For North Carolina to receive the maximum payout under national settlements and bankruptcy resolutions, all relevant parties – including the state itself, all 100 counties, and all large- and medium-sized municipalities – must sign on to the NC MOA and the national settlement agreements. To maximize resources flowing to communities on the front lines of the epidemic, the NC MOA would direct settlement funds as follows:

- 15 percent to the state, which the General Assembly would appropriate to address the epidemic.
- 80 percent to local governments, including all 100 counties and 17 municipalities.
- An additional five percent to an incentive fund to encourage counties and municipalities to sign on to the agreement.

**Ensures high levels of transparency and accountability.** The agreement offers a high level of transparency into how local governments use the funds, including special revenue funds subject to audit, annual financial and impact reports, and a public dashboard showing how they are using settlement funds to address the epidemic.

### WHY IT MATTERS

**Personal Cost.** The opioid epidemic has taken the lives of more than 16,000 North Carolinians, torn families apart, and ravaged communities from the mountains to the coast. Just as we began to make progress in combatting the epidemic, the COVID-19 pandemic caused a new wave of isolation, despair, drug misuse, and overdose death. Individuals, families, and entire communities continue to suffer and struggle.

**Accountability.** The opioid epidemic was created and fueled by irresponsible marketing and inadequate monitoring on the part of opioid makers and distributors. Settlements with the big three drug distributors and Johnson & Johnson, and a resolution of the Purdue Pharma bankruptcy proceedings, have the potential to bring as much as \$850 million to North Carolina over an 18-year period to support state and local efforts to address the epidemic.

**United Front to Heal North Carolina.** The NC MOA is an important step forward in our collective effort to hold these companies accountable for their behavior and to secure and direct much-needed resources to communities across the state as they work to address the epidemic and its aftermath.

Click [here](#) to access an FAQ on this topic.

Click [here](#) to access the memorandum of agreement.