

March 6, 2023

The Honorable Denis McDonough
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue NW
Washington, D.C. 20420

Dear Secretary McDonough:

I write out of concern about the relationship between the U.S. Department of Veterans Affairs' (VA) and McKinsey & Company (McKinsey). Specifically, McKinsey has repeatedly proven themselves to be a bad actor, willing to exploit relationships with the U.S. government for profit, at the expense of veterans. This behavior, at the taxpayer's expense, should no longer happen.

As you are likely aware, McKinsey reached a settlement of nearly \$600 million for their role in exacerbating the opioid epidemic. For the entirety of the time that McKinsey has been working for the VA, the firm has maintained a relationship with many leading producers of opioids, notably Purdue Pharma and Johnson & Johnson. These firms, advised by McKinsey, specifically targeted veterans in much of their marketing, advertising, and outreach.

Over a period of several years, McKinsey appears to have promoted a strategy to increase the opioid sales of its client, Purdue, by capitalizing on veterans' struggles with pain. For instance, in June 2013, McKinsey prepared a presentation for Purdue that encouraged the drug maker to exploit VA hospitals as an untapped market for new sales of OxyContin.¹ Another McKinsey presentation from the following month again characterized the VA as a strategic opportunity for increased sales.²

McKinsey played a role in the opioid epidemic by exploiting vulnerable veterans. No entity involved in the proliferation of opioid usage should be advising the VA on vital projects that impact how and when veterans receive healthcare. An entity, like McKinsey, that explicitly touted its relationship with the VA to make a profit should not be allowed to receive any VA money on any contract ever again.

McKinsey has flouted federal laws governing conflicts of interest. Last year, the House Committee on Oversight and Reform released a report exposing McKinsey for engaging in contracts with the Food and Drug Administration (FDA) while simultaneously advising opioid manufacturers without disclosing this conflict of interest. McKinsey consultants were found to

¹ <https://industrydocuments.ucsf.edu/opioids/docs/#id=qnnw0257>

² <https://industrydocuments.ucsf.edu/opioids/docs/#id=xklf0257>

have leveraged their position with both entities to increase business of opioid manufacturers and even attempt to influence Trump Administration officials. The report suggested McKinsey's failures to disclose its conflicts may represent a violation of federal law.

For these reasons, and given McKinsey's track record of dishonest and manipulative behaviors, I urge the VA to do the following:

1. Undertake a thorough review of the procedures your department followed to assess McKinsey's conflict of interests in each contract McKinsey has previously and currently has with the VA;
2. Investigate every initiative McKinsey has been involved during its time advising the VA to determine if conflict of interests with opioid manufacturers could have impacted decisions made by the VA;
3. Advise Congress on what, if any, additional authorities are needed to help keep the VA above a conflict of interest when working with contractors and consultants; and
4. Immediately sever all relationships with McKinsey.

McKinsey observes that, in their work with the VA, they are "affecting the lives of veterans and those they care about."³ This is sadly true – countless veterans and their loved ones have experienced the scourge of opioid addiction thanks to the work of McKinsey. McKinsey has proven to be a bad faith actor seeking to play with the lives of our veterans for profit. They should no longer be allowed to play both sides and profit from their harmful services.

Thank you for your attention to this matter. I look forward to your prompt response.

Sincerely,



Marco Rubio
U.S. Senator

³ <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/leading-a-transformation-in-the-department-of-veterans-affairs>