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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

May 16, 2018

The Honorable Robert Wilkie
Acting Secretary
Department of Veterans Affairs
810 Vermont Ave., NW
Washington, DC 20420

Dear Mr. Acting Secretary:

I write to share information regarding Teva Pharmaceutical Industries, a contractor for the Department of Veterans Affairs (VA), which has arisen during my recent investigation into the U.S. opioid epidemic.

In July 2017, in my capacity as Ranking Member of the Senate Committee on Homeland Security and Governmental Affairs, I initiated an investigation into the role high-volume generic opioid manufacturers and distributors have played in fueling the current public health crisis. Over the course of several months, each of the distributors and two of the manufacturers provided documents and information in response to requests concerning their efforts to prevent opioid diversion. Teva, however, refused to provide information in response to my requests. Despite correspondence in which I noted that “the company’s decision to obstruct basic oversight on the opioid epidemic should deeply concern shareholders,”¹ Teva stated that a response could impact ongoing litigation and chill the willingness of its customers to address opioid abuse.²

As I noted in a public statement on March 6, 2018, “Teva’s refusal to cooperate with Congressional requests strongly suggests they have something to hide. I’d hope that everyone involved or associated with the company takes note that they’re dealing with an entity that’s stonewalling a Senate investigation examining a national public health crisis.”³ This warning must also apply to VA. Federal spending data indicates VA has awarded Teva Pharmaceutical Industries over \$2.5 million in contracts for its services in supplying various drugs and medical equipment since 2007.⁴

¹ Letter from Sen. Claire McCaskill to CEO Kåre Schultz (Sept. 28, 2017).

² Letter from Counsel for Teva to Sen. Claire McCaskill (Oct. 5, 2017).

³ Sen. Claire McCaskill: *Teva is Stonewalling a Senate Investigation* (Mar. 6, 2018) (www.mccaskill.senate.gov/media-center/news-releases/mccaskill-teva-is-stonewalling-a-senate-investigation).

⁴ USA Spending database (usaspending.gov) (accessed Mar. 19, 2018).

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I urge you to consider whether Teva's refusal to comply with my requests affects Teva's present responsibility as a government contractor. I also urge you to evaluate whether VA should contract with an entity that has refused to respond to requests during a Senate investigation. As the Federal Acquisition Regulation states, federal contractors must "promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law."⁵ At the very least, the actions of Teva during my investigation—which has focused on one of the most pressing public health issues in the United States—should prompt a close look at existing financial relationships between the company and the federal government.

If you have any questions related to this request, please contact Brandon Reavis of my staff at (202) 224-2627. Please send any official correspondence related to this request to Rina Patel at Rina_Patel@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman

⁵ FAR 52.203-13(b)(2).