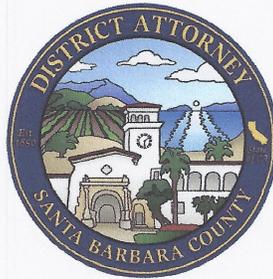


OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF SANTA BARBARA
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***** PRESS RELEASE *****

December 17, 2012

Walgreen Co. to Pay \$16.57 Million Settlement for Environmental Violations

***Stores Illegally Dumped Hazardous Wastes and
Confidential Customer Medical Information***

District Attorney Joyce E. Dudley, together with 42 other California District Attorneys and two city attorneys, announced that on December 13, 2012, Alameda County Superior Court Judge Wynne Carvill ordered the Illinois-based Walgreen Co. to pay \$16.57 million as part of a settlement of a civil environmental prosecution.

The judgment is the culmination of a civil enforcement lawsuit filed in Alameda County in June 2012 and led by the District Attorneys of Alameda, San Joaquin, Solano, Monterey, Riverside, and Yolo, and the City Attorney of Los Angeles, claiming that more than 600 Walgreens' stores throughout the state unlawfully handled and disposed of various hazardous wastes and materials over a six and one half year period, including pesticides, bleach, paint, aerosols, automotive products and solvents, pharmaceutical and bio hazardous wastes and other toxic, ignitable and corrosive materials. Santa Barbara County was part of this outstanding team effort along with 42 other counties. The case originated from an investigation by the California Department of Toxic Substances Control and local environmental health agencies (CUPAs) during the fall of 2009. The settlement also resolves allegations that Walgreens unlawfully disposed of customer records containing confidential medical information without preserving the confidentiality of the information therein.

During the summer and fall of 2011, inspectors from the Alameda County District Attorney's Office Environmental Protection Division along with other district attorney investigators and environmental regulators statewide, conducted a series of waste inspections of dumpsters belonging to Walgreens' stores. The inspections revealed that Walgreens was routinely and systematically sending hazardous wastes to local landfills, and was failing to take measures to protect the privacy of their pharmacy customers' confidential medical information.

Under the final judgment, Walgreen Co. must pay \$16.57 million in civil penalties and costs. It also funds supplemental environmental projects furthering consumer protection and environmental enforcement in California. The retailer will be bound under the terms of a permanent injunction prohibiting similar future alleged violations of law. Under the settlement, Walgreen Co. will pay \$4,000 in civil penalties and cost recovery to Santa Barbara County Fire Department environmental regulators and \$20,000 in civil penalties and cost recovery to the Santa Barbara County District Attorney's Office.

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“Thanks to the outstanding investigative and legal efforts of the district attorney inspectors and environmental prosecutors from district attorney offices around the state, we can announce this significant victory for our citizens and our natural resources,” says District Attorney Dudley. “As a result of the prosecution, California Walgreens stores have adopted enhanced policies and procedures designed to eliminate the disposal of hazardous waste products and confidential customer information records into store dumpsters.”

Stores are now required to retain their hazardous waste in segregated, labeled containers so as to minimize the risk of exposure to employees and customers and to ensure that incompatible wastes do not combine to cause dangerous chemical reactions. Hazardous waste produced by California Walgreens stores through damage, spills and returns is now being collected by state-registered haulers, taken to proper disposal facilities and properly documented and accounted for. The settlement also requires Walgreens to take proper steps to preserve the confidentiality of their pharmacy customers’ medical information.

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