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## Change to Win: CVS Caremark Settles with New York Attorney General over Selling Expired Goods

*Settlement is Latest Development to Highlight Questionable Practices by CVS Caremark*

NEW YORK--(BUSINESS WIRE)--CVS Caremark Corporation has agreed to pay almost \$1 million to settle allegations of misleading customers and unfair business practices stemming from the sale of expired products including baby formula and over-the-counter medications in New York.

This is the second time that CVS has agreed to settle charges of selling expired goods in the state. The New York State settlement comes in the wake of similar agreements between CVS and the Attorneys General of California and Nevada made earlier this year.

"CVS has demonstrated that it is either unwilling or unable to protect consumers from the potential dangers of expired products. We applaud Attorney General Cuomo for taking action to protect New Yorkers from CVS's retail practices," said Ahmer Qadeer, a spokesperson for Change to Win.

The New York Attorney General's investigation found that 60 percent of CVS stores visited sold products such as baby formula, milk, eggs and over-the-counter drugs that were past their expiration dates. These findings are similar to those discovered by Change to Win's Cure CVS campaign and outlined in the report, *Cure CVS: From Low Quality to High Prices, CVS is Failing Our Communities*.

Change to Win has conducted surveys in more than 2,200 CVS stores in 21 markets and has uncovered a pattern among CVS stores of selling expired products and inadequately protecting confidential information, among other issues. Change to Win is engaged with community partner organizations to reform the drugstore industry, starting with CVS, the country's largest drugstore chain and leading provider of prescription drugs.

The settlement is the latest development to highlight CVS Caremark's questionable practices. CVS Caremark became the nation's largest provider of prescription services after the 2007 merger of CVS, the largest retail pharmacy, and Caremark Rx, the second-largest pharmacy benefits manager (PBM). CVS Caremark handles almost 1 in 3 of all patient prescriptions in the nation.

The company's stock plunged 20 percent last Thursday as investors reacted to the news that several major health plans decided not to renew their contracts with CVS Caremark. The over \$10 billion single day loss in market value appears to indicate growing skepticism about the company's ability to make the PBM-Retail business model successful.

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CVS Caremark also acknowledged in its third quarter earnings statement last week that it is being investigated by the Federal Trade Commission (FTC). The FTC has received expressions of concern from health plans, independent pharmacists

