

OFFICE OF THE DISTRICT ATTORNEY

JEFF W. REISIG, DISTRICT ATTORNEY

301 SECOND STREET - WOODLAND, CALIFORNIA 95695 - 530.666.8180 - FAX 530.666.8185

FOR IMMEDIATE RELEASE

Date: December 13, 2012 **Contact:** Jonathan Raven, Chief Deputy District Attorney

Phone: Jonathan.raven@yolocounty.org

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

The Yolo County District Attorney will receive over \$1 Million for violations in Yolo County.

(Woodland, CA) – December 13, 2012- Yolo County District Attorney Jeff Reisig, together with 42 other California District Attorneys and two City Attorneys, announced today that Alameda County Superior Court Judge Wynne Carvill has ordered the Illinois based Walgreen Co. to pay \$16.57 million as part of a settlement of a civil environmental prosecution. Yolo County was one of four Counties to receive over one million dollars in civil penalties as part of the settlement.

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, Yolo, San Joaquin, Solano, Monterey, Riverside Counties, and the City Attorney of Los Angeles, claiming that more than 600 Walgreens' stores throughout the state unlawfully handled and disposed of hazardous waste and materials over a six and one half year period, including pesticides, bleach, paint, aerosols, automotive products and solvents, pharmaceuticals, bio hazardous waste and other toxic, ignitable and corrosive materials. The case originated from an investigation by the California Department of Toxic Substances Control and local environmental health agencies 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 2010 and 2011, the investigator from the Yolo 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. The statewide dumpster inspections revealed that 34 out of 37 Walgreens' stores were in violation of state law.

Under the final judgment, Walgreen Co. must pay \$16.57 million in civil penalties and costs. The settlement will fund supplemental environmental projects furthering consumer protection and environmental enforcement and protection in California. Walgreen Co. will be bound under the terms of a permanent injunction prohibiting similar future alleged violations of law.

Under the settlement, Walgreen Co. will pay \$1,105,375.00 in civil penalties and cost recovery to Yolo County District Attorney's Office Environmental unit and separate penalties to Yolo County Environmental Health. Additional funding in the amount of \$330,000.00 will be paid to the Yolo County District Attorney's Office to fund California's first Retail Waste Aquatic Toxicity Testing ("RWATT"). The RWATT Project will primarily focus on the testing of various retail wastes.

District Attorney Reisig estimated his Environmental unit will oversee the testing of two hundred (200) to four hundred (400) products, statewide. "This is an outstanding victory for the citizens of Yolo County. These penalties will go toward the funding of environmental investigations and send a clear message to businesses that these types of crimes will not go unnoticed or without penalty," said Reisig. 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. The settlement also requires Walgreens to take proper steps to preserve the confidentiality of their pharmacy customers' medical information.

"The goal is compliance with state law and Walgreens is making great strides in this area," said Reisig.

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