

## RITE AID SETTLEMENT FACT SHEET

1. The Settlement is between the Office of the United States Attorney (“USAO”) in the Southern District of West Virginia (“SDWV”) and *Rite Aid Corporation*.
2. The Settlement only covers a criminal investigation in the SDWV for the sale of products containing pseudoephedrine (“PSE”), in the SDWV between January 2009 and October 2012.
3. The criminal investigation focused on Rite Aid’s training and corporate procedures regarding the sale of products containing PSE. Rite Aid’s training and corporate procedures led employees in the SDWV to believe that they could only deny the sale of PSE to a customer if the sale would cause the customer to exceed a PSE purchase limit amount – and not if the employee suspected the customer wanted the PSE for an illegitimate reason, i.e., to manufacture methamphetamine.
4. The USAO entered into the Settlement for many reasons, including, but not limited to, the following:
  - a) Rite Aid accepted responsibility for the improper manner it sold PSE in the SDWV and cooperated with the investigation.
  - b) Rite Aid instituted remedial efforts in its training, policies and procedures for selling PSE, both in the SDWV and throughout the United States, and Rite Aid has agreed to additional remedial efforts. For example:
    - i. In November 2013, Rite Aid removed single ingredient PSE products from its stores, and now it only sells tamper resistant single ingredient PSE in WV.
    - ii. Rite Aid now trains its employees to identify customers that may be purchasing PSE for the manufacture of methamphetamine, and will further train and instruct its employees to deny such sales.
    - iii. Rite Aid now require its retail locations in WV to place PSE products out of view of customers, making it easier and safer for pharmacy employees to deny illegitimate sales.
    - iv. Rite Aid now requires pharmacists to provide counseling to all customers seeking to purchase PSE.
  - c) Rite Aid agreed to pay a penalty of **\$4 million dollars** (“Settlement Amount”).
    - i. The Settlement Amount is approximately 80% of Rite Aid’s **gross sales** (not net profits) of PSE in the State of West Virginia (SDWV and NDWV) during the relevant time frame of the investigation.
    - ii. One hundred percent (100%) of the Settlement Amount shall remain right here in West Virginia to provide additional resources for compensating crime victims and drug treatment, and the entirety of the Settlement Amount will be paid within ten (10) days.
    - iii. \$2.6 million of the Settlement Amount shall go to the **WV Crime Victims Compensation Fund**. That amount is *more than double* the total federal grants the Fund receives in an entire year and just shy of the total amount of money it paid out to victims in 2016 and 2017 **COMBINED** (\$2.9 million was paid out in both years).
    - iv. \$1.4 million will go to the WV Department of Health and Human Resources, Bureau of Behavioral Health and Human Resources which has reached agreement with the USAO of the SDWV to use such funds solely to help pay for drug treatment services.