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February 8, 2017

**ATTORNEY GENERAL MADIGAN: WALGREENS MUST PAY \$50 MILLION FOR UNLAWFUL PRESCRIPTION MARKETING SCHEME**

**Chicago** — Attorney General Lisa Madigan today announced Illinois has joined at least 30 other states and the federal government to settle allegations that Walgreen Co. unlawfully solicited and persuaded Medicare and Medicaid recipients to enroll in its “Prescription Savings Club” in order to gain more profitable customers, which was in violation of federal and state anti-kickback laws.

Walgreen Co., headquartered in suburban Deerfield, enticed Medicare and Medicaid patients with savings, coupons and other offers to join the company’s prescription savings club, which amounted to an unlawful marketing scheme. Walgreens will pay the states and the federal government \$50 million, of which nearly \$8.5 million will go to state Medicaid programs. The remaining portion of the settlement is attributed to Medicare and Tricare programs. Illinois will receive more than \$740,000 in restitution and other recoveries from the settlement.

“Walgreens disregarded the law when the company targeted Medicare and Medicaid recipients,” Madigan said. “This kind of blatant corporate misconduct will not be tolerated.”

The investigation resulted from a false claims action originally filed in January 2012 in the United States District Court for the Southern District of New York under the federal False Claims Act and various state false claims statutes.

Deputy Bureau Chief Heather Tullio D’Orazio with Madigan’s Medicaid Fraud Bureau led a National Association of Medicaid Fraud Control Units (NAMFCU) team that participated in the investigation and conducted the settlement negotiations with Walgreen Co. on behalf of the states. Other members of the team included representatives from the following attorneys general offices: California, Indiana, Massachusetts, Michigan and New York. Madigan’s office works in conjunction with the Illinois State Police Medicaid Fraud Control Bureau to investigate and prosecute civil and criminal cases of Medicaid Fraud.

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