

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among: (i) the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS); the Defense Health Agency (DHA), acting on behalf of the TRICARE Program; the Office of Personnel Management (OPM), which administers the Federal Employees Health Benefits Program (FEHBP); and the United States Department of Veterans Affairs (VA) (collectively, the “United States”); (ii) Walgreens Boots Alliance, Inc. and Walgreen Co. (collectively, the “Defendants” or “Walgreens”); and (iii) Steven Turck and Lince Jacob (each a “Relator” and collectively, the “Relators”) (the United States, Walgreens, and Relators are hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Walgreen Co. is an Illinois corporation with its principal place of business in Deerfield, Illinois, and is a wholly owned subsidiary of Walgreens Boots Alliance, Inc., a Delaware corporation with its principal executive offices in Deerfield, Illinois. Walgreen Co. directly and indirectly owns and operates retail pharmacies throughout the United States that provide pharmacy services to individuals, including beneficiaries of various federal health care programs.

B. Pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), the Relators have filed the following civil actions (collectively, the “Civil Actions”):

(1) On April 26, 2019, Steven Turck filed a sealed *qui tam* action in the United States District Court for the Eastern District of Texas captioned *United States ex rel. Turck, et al. v. Walgreens Boots Alliance, Inc., et al.*, No. 4:19-cv-315 (the “Turck Civil Action”).

(2) On April 23, 2020, Lince Jacob filed a sealed *qui tam* action in the United States District Court for the Middle District of Florida captioned *United States, et al. ex rel. Jacob v. Walgreens Boots Alliance, Inc.*, No. 8:20-cv-858-T-60TGW (the “*Jacob Civil Action*”).

C. On January 29, 2020, Walgreens disclosed to the United States that issues with its billing systems and practices had resulted in Walgreens billing federal health care programs for prescriptions not provided to customers and for which Walgreens should not have received payment. Specifically, the Walgreens Compliance Department, in accordance with an unrelated Corporate Integrity Agreement between Walgreen Co. and OIG-HHS, submitted a “Reportable Event” letter to OIG-HHS regarding a “substantial overpayment” related to prescription orders pending in unaccounted-for status (i.e., “Unaccounted-For Status” or “UA Status”) in Walgreens’s primary, proprietary pharmacy management system, Intercom Plus (IC+), that were processed but never dispensed or delivered to beneficiaries after 30 days.

D. Walgreens cooperated with the United States’ investigation, including by preserving, collecting, and disclosing relevant documents, claims data, and information relating to the UA Status prescription billing issue, and retaining an independent consulting firm to assist in determining the amounts improperly billed to federal health care programs.

E. Walgreens took significant steps to remediate the UA Status prescription billing issue, including: (1) implementing a chain-wide system enhancement to IC+ to ensure that the UA Status prescription billing problem did not occur again; and (2) quantifying its overpayment liability resulting from the UA Status billing issue and making refunds to federal health care programs or their payment agents for the UA Status prescriptions totaling \$66,314,790.

F. Walgreens received credit under the Department of Justice’s guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual § 4-4.112.

G. The United States contends that Walgreens submitted or caused to be submitted claims for payment to: the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”); the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”); the Federal Employees Health Benefits Program (“FEHBP”), 5 U.S.C. §§ 8901-8914; and the VA’s Veterans Health Administration, 38 U.S.C. Chapter 17.

H. The United States contends that it has certain civil claims against Walgreens arising from Walgreens’s conduct of allegedly submitting or causing the submission of false claims to Medicare, Medicaid, TRICARE, FEHBP, and VA for “Unaccounted-For Status” prescriptions that were processed but never picked up by or delivered to customers during the period from June 25, 2013, through May 5, 2020. The United States further contends that:

(1) Both Medicare and Medicaid regulations require that government-funded health care items and services be provided “only when, and to the extent, medically necessary.” 42 U.S.C. § 1320c-5(a)(1); 42 U.S.C. § 1395y(a)(1) (allowing Medicare reimbursement only for items and services that are “reasonable and necessary”); 42 C.F.R. § 440.230 (authorizing states to limit reimbursement based on “medical necessity”); *see also* 32 C.F.R. § 199.11(f)(1) (TRICARE); 5 U.S.C. § 8902a(d)(1)(A) (OPM); 38 C.F.R. § 17.272(a) (VA).

(2) Under the Affordable Care Act, providers have an “obligation” to return Medicare and Medicaid “overpayments” to those programs within 60 days after the overpayment has been “identified.” 42 U.S.C.A. § 1320a-7k(d)(2). Overpayments that are retained by a person after the deadline for reporting and returning those overpayments are expressly defined as an “obligation” for purposes of the False Claims Act. *Id.*, § 1320a-7k(d)(3).

(3) In or around 1994, Walgreens designed and developed IC+ to record and process customer prescriptions. IC+ is a comprehensive claims management and submission system that

centrally connects Walgreens stores and facilitates claims processing coordination with various payors, including federal health care programs and their payment agents. Walgreens rolled out the IC+ system to all pharmacy locations in or around 1997.

(4) Walgreens configured IC+ to remove any prescription orders from the local IC+ servers that had not been sold to customers or deleted in IC+ after 29 days due to server storage capacity concerns. These prescription orders were automatically updated to a new Unaccounted-For Status and moved to the central IC+ server. Once this occurred, however, pharmacists could no longer see the prescription orders in the local IC+ work queue. Walgreens also did not have a separate “back-end” process in place to review and resolve the UA Status prescriptions listed on the central server. As a result, claims for such prescriptions were not deleted in IC+ or reversed.

(5) Walgreens’s implementation of the UA Status classification and functionality in IC+ caused it to bill federal health care payors for UA Status prescriptions that were processed but never picked up by or delivered to the customer. As a result, Walgreens knowingly submitted, or caused to be submitted, claims for UA Status prescriptions that were ineligible for reimbursement.

The conduct alleged in Paragraph H is referred to as the “Covered Conduct.”

I. This Agreement is neither an admission of liability by Walgreens nor a concession by the United States that its claims are not well founded.

J. Each Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Agreement.

K. Relators also claim entitlement to recover from Walgreens reasonable expenses, attorneys’ fees, and costs, pursuant to 31 U.S.C. § 3730(d). Relators and Walgreens will resolve those claims separately from this Agreement through settlement. Relators and Walgreens agree that the United States District Court for the Eastern District of Texas and the United States

District Court for the Middle District of Florida shall have continuing jurisdiction for the *qui tam* cases filed under seal in those districts to issue orders with regard to any disputes relating to Relators' reasonable expenses, attorneys' fees, and costs, pursuant to 31 U.S.C. § 3730(d).

L. Walgreens has entered into, or will be entering into, separate settlement agreements, described in Paragraph 1(c)(2) below (the "Medicaid State Settlement Agreements"), with certain states (the "Medicaid Participating States") in settlement of the conduct released in those separate Medicaid State Settlement Agreements.

M. Relator Turck claims entitlement to a share of the Medicaid State Settlement Agreement proceeds, separate from, and in addition to, the relator share provided in this Agreement. Relator Turck and Walgreens agree that the United States District Court for the Eastern District of Texas shall have continuing jurisdiction to issue orders with regard to any disputes relating to Relator Turck's share of the Medicaid State Settlement Agreement proceeds.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Walgreens shall pay to the United States and the Medicaid Participating States Ninety-Seven Million, Eight Hundred Fourteen Thousand, Seven Hundred Ninety Dollars (\$97,814,790.51) (the "Total Settlement Amount"). Of this Total Settlement Amount:

(a) Eighty-Two Million, Eight Hundred Eighty-One Thousand, Five Hundred Thirty Dollars (\$82,881,530.67) is the amount of the Federal share of the Total Settlement Amount (the "Total Federal Recovery").

(b) Sixty-Six Million, Three Hundred Fourteen Thousand, Seven Hundred Ninety Dollars (\$66,314,790.51), which serves as restitution, is the amount that Walgreens previously refunded and for which it shall receive a credit.

(c) Thirty-One Million, Five Hundred Thousand Dollars (\$31,500,000) is the amount that Walgreens shall pay to the United States and the Medicaid Participating States, allocated as follows:

(1) Walgreens shall pay to the United States the sum of Twenty-Six Million, Six Hundred Ninety Thousand, Nine Hundred Thirty-Five Dollars (\$26,690,935.00) (the “Federal Settlement Amount”) by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice. On or before September 3, 2024, Walgreens shall make an initial payment to the United States in the amount of Nine Million Dollars (\$9,000,000.00), plus interest at a rate of 4.0% per annum from May 28, 2024, and shall thereafter pay the remaining Seventeen Million, Six Hundred Ninety Thousand, Nine Hundred Thirty-Five Dollars (\$17,690,935.00), plus interest at a rate of 4.0% per annum from May 28, 2024, pursuant to the payment schedule attached at Exhibit A (the “Payments Over Time”). The Federal Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

(2) Walgreens shall collectively pay to the Medicaid Participating States the total sum of Four Million, Eight Hundred Nine Thousand, Sixty-Four Dollars (\$4,809,064.99) (the “State Settlement Amount”), as set pursuant to written instructions from the National Association of Medicaid Fraud Control Units (“NAMFCU”) State Team and under the terms and conditions of the separate agreements that Walgreens will enter into with the Medicaid Participating States.

2. Conditioned upon the United States receiving the Federal Settlement Amount payments from Walgreens, as described in Paragraph 1(c)(1) above, and as soon as feasible after receipt of each such payment, the United States shall pay the total sum of \$14,918,675 to counsel for Relator Steven Turck, in its capacity as counsel for Turck and as Escrow Agent for Relator Lince Jacob pursuant to the terms of a separate agreement reached between and among Relators regarding the division of relator share, by electronic funds transfer as provided in the payment schedule set forth in Exhibit A.

3. Subject to the exceptions in Paragraph 8 (concerning the United States' reserved claims) below, and subject to Paragraphs 18-19 (concerning default) below, and upon the United States' receipt of the Federal Settlement Amount, plus interest due under Paragraph 1(c)(1) above, the United States releases Walgreens, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 8 (concerning the United States' reserved claims) below, and subject to Paragraphs 18-19 (concerning default) below, and upon the United States' receipt of the Federal Settlement Amount, plus interest due under Paragraph 1(c)(1) above, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Walgreens, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; officers, directors, managers, employees, shareholders, and agents; and the corporate successors

and assigns of any of them, from any and all claims that Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. In consideration of Walgreens's self-disclosure of this matter and Walgreens's obligations in this Agreement, and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(c)(1) above, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Walgreens under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 8 (concerning reserved claims) below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Walgreens from Medicare, Medicaid, and other federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8 below.

6. In consideration of the obligations of Walgreens set forth in this Agreement, and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(c)(1) above, the DHA shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against Walgreens under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 8 (concerning reserved claims) below. The DHA expressly reserves authority to exclude Walgreens from the TRICARE Program under 32 C.F.R. §§ 199.9 (f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii) (mandatory exclusion), based upon the Covered Conduct.

Nothing in this paragraph precludes the DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8 below.

7. In consideration of the obligations of Walgreens set forth in this Agreement, and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(c)(1) above, the OPM shall release and refrain from instituting, directing, or maintaining any administrative action seeking debarment from the FEHBP against Walgreens under 5 U.S.C. § 8902a or 5 C.F.R. Part 890 Subpart J or Part 919 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 8 (concerning reserved claims) below, and except if excluded by the OIG-HHS pursuant to 42 U.S.C. § 1320a-7(a). The OPM expressly reserves all rights to comply with any statutory obligation to debar Walgreens from the FEHBP under 5 U.S.C. § 8902a(b) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OPM from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 8 below.

8. Notwithstanding the releases given in Paragraphs 3 through 7 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

- e. Any liability based upon obligations created by this Agreement; and
- f. Any liability of individuals.

9. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B), and that the portions of the Total Settlement Amount allocated to the Covered Conduct claims involving the Medicare Program (\$44,806,170.36); the Medicaid Program (\$20,248,389.69); the TRICARE Program (\$986,314.33); the FEHBP (\$206,052.54); and the VA (\$29,023.53) are also fair, adequate, and reasonable under all the circumstances. Conditioned upon Relator Turck's receipt of the payments described in Paragraph 2 above and identified in Exhibit A, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Actions or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Actions.

10. Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release Walgreens, and its direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; officers, directors, managers, employees, shareholders, and agents; and the corporate successors and assigns of any of them, from any liability to Relators arising from the claims Relators brought on behalf of the United States in the filing of the Civil Actions.

11. Walgreens waives and shall not assert any defenses Walgreens may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment

of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

12. Walgreens fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Walgreens has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

13. Walgreens, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, releases Relators for themselves and for their heirs, successors, attorneys, agents, and assigns, from any and all claims that Walgreens has or may have against Relators involving or arising from the filing of the Civil Actions or the Covered Conduct.

14. Except as addressed in this Paragraph, the Total Federal Recovery shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier), TRICARE, FEHBP, or VA, or any state payer, related to the Covered Conduct; and Walgreens agrees not to resubmit to any Medicare contractor, TRICARE, FEHBP, or VA, or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

15. Walgreens agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social

Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Walgreens, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Walgreens's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment Walgreens makes to the United States pursuant to this Agreement and any payments that Walgreens may make to Relators, including costs and attorneys' fees,

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and FEHBP (hereinafter referred to as "Unallowable Costs").

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Walgreens, and Walgreens shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Walgreens or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Walgreens further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Walgreens or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Walgreens agrees that the United States, at a minimum, shall be entitled to recoup from Walgreens any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Walgreens or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Walgreens or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Walgreens's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

16. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 17 (waiver for beneficiaries paragraph) below.

17. Walgreens agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

18. In the event that Walgreens fails to pay the United States the Federal Settlement Amount, as described in Paragraph 1(c)(1) above and as provided in the payment schedule set forth in Exhibit A, Walgreens shall be in Default of Walgreens's payment obligations ("Default"). The United States will provide a written Notice of Default, and Walgreens shall have an opportunity to cure such Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Agreement up to the date of payment. Notice of Default will be delivered to Walgreens, or to such other representative as Walgreens shall designate in advance in writing. If Walgreens fails to cure the Default within seven (7) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Federal Settlement Amount (consisting of the outstanding principal and the interest accrued at 4.0% as of the date of Default) shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

19. In the event of Uncured Default, Walgreens agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue

the Civil Action or bring any civil and/or administrative claim, action, or proceeding against Walgreens for the claims that would otherwise be covered by the releases provided in Paragraph 8 above, with any recovery reduced by the amount of any payments previously made by Walgreens to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to Walgreens and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Walgreens agrees immediately to pay the United States the greater of (i) a 10-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, Walgreens waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against Walgreens within 120 days of written notification that this Agreement has been rescinded, and (ii) related to the Covered Conduct, except to the extent these defenses were available on the Effective Date of the Agreement. Walgreens agrees not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

20. Upon receipt of Walgreens's first payment described in Paragraph 1(c)(1) above and identified in Exhibit A, the Parties shall promptly sign and file in the Civil Actions a Joint Stipulation of Dismissal with prejudice as to all claims in the Civil Actions involving or on behalf of the United States pursuant to Rule 41(a)(1).

21. Except as provided in any agreements between Relators and Walgreens for attorneys' fees and costs, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

22. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

23. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Texas. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

24. This Agreement constitutes the complete agreement between the Parties as to all claims in the Civil Actions involving or on behalf of the United States. This Agreement may not be amended except by written consent of the Parties.

25. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

26. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

27. This Agreement is binding on Walgreens's successors, transferees, heirs, and assigns.

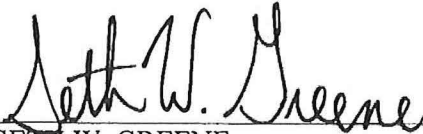
28. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

29. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.


30. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA


DATED: 08/30/24

BY: 
SETH W. GREENE
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/30/24

BY: 
JAMES GILLINGHAM
Assistant United States Attorney
Eastern District of Texas

DATED: 8/30/24

BY: 
LINDSAY SAXE GRIFFIN
Assistant United States Attorney
Middle District of Florida

THE UNITED STATES OF AMERICA

DATED: 08/26/24

BY: SUSAN GILLIN
Digitally signed by SUSAN GILLIN
Date: 2024.08.26 20:38:52 -04'00'
SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DATED: _____

BY: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: _____
EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

DATED: _____

BY: _____
PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DATED: 08/01/2024

BY: _____

BLEY.PAUL.NICHO
LAS.1099873821

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for

SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: _____

EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

DATED: _____

BY: _____

PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DATED: _____

BY: _____

SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: _____

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EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

DATED: _____

BY: _____

PAUL ST. HILLAIRES
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DATED: _____

BY: _____

SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: _____

EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

DATED: _____

BY: _____

**PAUL ST
HILLAIRE**

Digitally signed by PAUL ST
HILLAIRE
Date: 2024.08.21 18:18:08
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PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

WALGREEN CO.

DATED: August 28, 2024

BY: *Peter R. Wilson*

PETER R. WILSON

Vice President

Commercial/Government Litigation & Regulatory Law

Walgreen Co.

DATED: August 28, 2024

BY: *Howard J. Young*

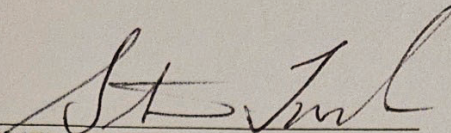
HOWARD J. YOUNG

Morgan, Lewis & Bockius LLP

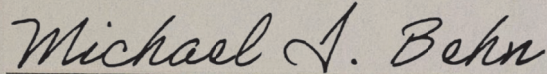
Counsel for Walgreen Co.


RELATORS

DATED: 8/23/24

BY: 
STEVEN TURCK

DATED: 8/23/2024

BY: 
MICHAEL BEHN
Behn & Wyetzner, Chartered
Counsel for Relator Steven Turck

DATED: 8-22-2024 BY: 
LINCE JACOB


DATED: 8-22-2024 BY:  ¹¹
WILLIAM PAUL LAWRENCE, II
Waters, Kraus, Paul & Siegel, LLP
Counsel for Relator Lince Jacob

Exhibit A

PAYMENT SCHEDULE

Payment Date	Number of Days from 05/28/2024	Principal	Interest (4.0%)	Payment	Relator Share
09/03/2024	98	\$9,000,000	\$96,658	\$9,096,658	\$5,000,000
12/02/2024	188	\$8,845,468	\$182,241	\$9,027,709	\$4,959,338
03/03/2025	279	\$8,845,467	\$270,453	\$9,115,920	\$4,959,337
Total		\$26,690,935	\$549,352	\$27,240,287	\$14,918,675