Feds sue Walmart over opioid crisis

By Michael Kelcourse and Anne d’Innocenzo

WASHINGTON — The Justice De- partment accused Walmart on Tuesday of fueling the opioid crisis by distributing prescription drugs to pharmacies that sold them to the public without sufficient controls, and as a result, making it “far too easy” for people to obtain the powerful painkillers.

The lawsuit, filed in U.S. District Court for the Northern District of California, expands the Justice Department’s civil action to 7,000 pharmacies, including 3,500 Walmart-owned pharmacies, to assert “that Walmart’s failure to take reasonable precautions to prevent illegal distributions of controlled substances was a significant cause of the opioid crisis.”

Walmart, which has more than 5,000 pharmacies in its stores around the country, acknowledged the allegations and vowed to “vigorously” defend itself.

The lawsuit comes after a winter of headlines about the opioid epidemic, which health authorities say has killed more than 400,000 people in the U.S., and thousands of prescription painkillers that have been prescribed or sold to pharmacies by the pharmacy chain.

“At the heart of this lawsuit is the failure of drug distributors to operate in a responsible manner,” said Jeffery Clark, the acting solicitor general.

Walmart, which issued a statement to the Reuters News Service that did not address the lawsuit, said “nothing raised in the lawsuit is new.”

The lawsuit is the second in the Justice Department’s civil action against the country’s largest pharmacy chains, following a similar lawsuit filed against CVS Health Corp. in September.

In its lawsuit, the Justice Department asserts that Walmart allowed pharmacies to fill prescriptions for opioids that were likely to be diverted to misuse or abuse, and that it failed to take adequate precautions to prevent this from happening.

Walmart also is accused of failing to monitor the sales of opioids and to respond to red flags when it became apparent that the prescriptions were being abused or misused.

Irwin_rhode /getty images

The lawsuit notes that the pharmacy chain failed to follow federal regulations that require it to place prescriptions in a “take-home” status rather than a “prescription-only” status.

Walmart said it would “vigorously” defend itself against the lawsuit and that it believes the Obama administration erred in its legal analysis.

“This lawsuit is unprecedented in its breadth and scope,” said a Walmart spokesman.

The Justice Department’s lawsuit is the first to be filed against a pharmacy chain as a defendant in an opioid civil action, and it comes after a series of settlements with major drug companies.

The largest settlement was reached with Purdue Pharma, which agreed to pay $10 billion to settle allegations that it marketed opioids in a way that contributed to the crisis.

The Justice Department has also accused the drug companies of failing to take adequate precautions to prevent the diversion of opioids.

Walmart is one of several major companies that have come under scrutiny in recent years for their role in the opioid epidemic.

The company, which has more than 11,000 stores nationwide, has said it is working to implement new procedures to prevent the diversion of opioids.

“We are always of the opinion that the best course of action is to work with regulators and industry partners to address the opioid crisis," said a Walmart spokesman.

The lawsuit is the latest in a series of legal actions that the Justice Department has taken to hold companies accountable for their role in the opioid crisis.

In addition to Purdue Pharma, the Justice Department has also reached settlements with two other drug companies, Johnson & Johnson and Endo Pharmaceuticals.

The settlements have totaled more than $2 billion, and they come as the Justice Department continues to investigate other companies that may have played a role in the crisis.

The Justice Department has also signaled that it will continue to pursue legal action against companies that are found to have contributed to the opioid crisis.

The company has faced criticism from some lawmakers and advocacy groups for its role in the crisis.

In a statement, the Senate Finance Committee said "Walmart, like many other companies, has a responsibility to the communities it serves to take steps to prevent the diversion of opioids."