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As Beacon Hill Lawmakers Consider New Consumer Pricing Protections...

CVS Caught with Most Illegal Overcharges of any Retailer in the State

Consumer Advocates Call on Lawmakers to Strengthen Pricing Protections

BOSTON – CVS Caremark Corp., the nation’s largest pharmacy chain, is by far the most penalized food retailer in the state for overcharging, according to Massachusetts Office of Consumer Affairs and Business Regulations inspection reports from 2008 recently obtained by Cure CVS. The analysis was released today as consumer advocates held a press conference at the Massachusetts state house. Advocates warned shoppers to check their CVS drugstore receipts and called on lawmakers to do more to strengthen pricing protections. This is the second year in a row that CVS Caremark Corp. has led state food retailers in overcharging fines.

State inspectors cited CVS for illegal overcharges almost five times more often than the average food retailer last year, according to 2008 data. The inspectors found hundreds of overcharges – defined as charging more at the register than the price in an advertisement, on a shelf sign or on the item itself. And the state imposed over \$150,000 in fines on CVS last year for overcharges and other pricing violations.

A former CVS manager also spoke at today’s state house news conference about his experience with item pricing while employed at CVS for over a decade. He said that the company made little or no effort to comply with the item pricing law, in stark contrast to how it pushed for accurate execution in other areas.

Consumer Pricing Protections

“Consumers need fair, accurate, and meaningful price disclosure,” said Deirdre Cummings, the legislative director for MASSPIRG, the Massachusetts Public Interest Research Group. “In these tough times, shoppers can ill afford to be overcharged for anything. If retailers complied with the original item pricing law – putting a price sticker on every item and the correct price on the shelf, more consumers would have better price information and fewer consumers would be getting ripped off at the checkout.”

“Massachusetts historically has had one of the strongest price disclosure laws in the country,” commented Edgar Dworsky, a consumer lawyer and former Massachusetts Assistant Attorney General who drafted the state’s original item pricing law twenty-two years ago. “Over the years, the law has been weakened, state pricing regulations have been watered down, and some retailers now treat the minimal fines as a cost of doing business.”

Consumer advocates said that legislators need to strengthen consumer protection laws like item pricing, and increase penalties and enforcement to deter further violations.

They indicated that a series a bills set for a state house hearing later this month would do just the opposite.

The Food Store Item Pricing Law requires most items in a supermarket and most grocery items in other types of stores to be individually price-marked. Violations carry a \$100 fine. The Attorney General's item pricing regulation allows non-food stores that install self-service price scanners in store aisles to merely post price signs on displays of goods rather than individually price them.

CVS Continues Overcharging

In addition to the violations found by the state, surveyors who visited 22 CVS stores in Boston and surrounding communities during April 2009 were overcharged on purchases at 20 of these stores. Advocates displayed nearly 100 everyday shopping items recently purchased at CVS stores around the state, for which they were charged more than what appeared on the price tag, including after-shave lotion that a CVS in Easton charged \$5.99 over the sticker price. The average overcharge was 56 cents, according to the recent survey.

"We were shocked at the degree to which CVS overcharged us," said Deanne Dworski-Riggs, a Boston representative of Cure CVS, a nationwide group that has confronted CVS about pricing violations and other consumer issues such as selling expired goods and locking up condom displays in communities of color. "It is clear they have a problem with their pricing practices."

For more information visit www.CureCVSNow.org

Cure CVS is an initiative by Change to Win and partner organizations to reform the drugstore industry, starting with CVS, the country's leading provider of prescription drugs and largest drugstore chain. By joining concerned citizen groups with the six million members of Change to Win unions, Cure CVS aims to ensure that CVS provides equal access across all communities and income levels to its stores and services, offers fair and accurate prices, provides quality products and services, protects customers' privacy and puts quality pharmacy care first.

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