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AG SLATERY SUES FOOD CITY FOR UNLAWFUL SALES OF OPIOIDS

The company sold 206 million prescription opioids
25% at one store in Bearden

Nashville- Attorney General Herbert H. Slatery III announced today that he sued Food City Supermarkets, LLC and K-VA-T Food Stores, Inc. in Knox County Circuit Court. The State's lawsuit alleges that for well over a decade, Food City pharmacies in Tennessee unlawfully sold tens of millions of prescription opioids, in particular immediate release oxycodone 30mg (Oxy 30), and intentionally profited from the ongoing opioid epidemic. The State asserts that Food City's conduct and its failure to maintain the required effective controls against abuse and diversion have directly contributed to the ongoing opioid epidemic.

Specifically, the State contends that Food City violated the Tennessee Consumer Protection Act, violated the Tennessee's public nuisance statute at three Knoxville-area stores, and created a common law public nuisance by endangering the health of Tennesseans and interfering with the commercial marketplace.

"Food City made a lot of money from filling opioid prescriptions. In itself that's not a problem. The problem is how they did it." said General Slatery. "The company knew its customers were addicted. It knew the pill mills writing the prescriptions were some of the worst actors at any level of the opioid crisis. But Food City did virtually nothing that would disturb that income stream. It stoked the market with the most diverted and abused opioids, pushed its pharmacists to sell more and more, and ignored the most alarming evidence - overdoses and illegal sales taking place right outside the pharmacy door." The Attorney General is going to pursue businesses that knowingly welcome, turn a blind eye to, or closely align themselves with suspect clinics or providers. Remember four to five people die each day from opioid overdoses in Tennessee.

The allegations in the State's 208-page Complaint provide stark detail about Food City's opioid sales and conduct. Among other things, the State alleges that for more than a decade the Company:

- Sold more than 206 million prescription opioids, almost 25% of which were sold by Food City # 674 in Bearden;
- Sold more than 42.5 million Oxy 30 pills—44% of which were sold at Food City # 674 in Bearden;
- Ignored or watered-down reports of suspicious prescribers, allowing its pharmacies to continue selling opioids even after these doctors, nurses, and physician assistants were raided, disciplined, arrested, or indicted;

- Routinely sold huge quantities of dangerous "high risk" prescription combinations, in particular the "Holy Trinity" of an opioid, a benzodiazepine (e.g., Xanax), and a muscle relaxer (e.g., Soma);
- Sold Oxy 30 and other prescription opioids to criminals involved in drug trafficking rings;
- Purchased more Oxy 30—one of the most diverted and potent immediate release opioids—from AmerisourceBergen between October 2011 and January 2012 for Food City # 674 than all of AmerisourceBergen's other pharmacy customers in 38 entire states and the District of Columbia;
- Sold opioids with more morphine milligram equivalents (MMEs), a common unit to evaluate potency among different opioids, at Food City # 674 than all pharmacies in 81 Tennessee counties;
- Created a prescription savings card program that allowed customers to obtain additional price discounts on all opioids, including Oxy 30, making it a hot spot for criminals looking for the cheapest oxycodone in the area;
- Established a policy of having its pharmacies hoard opioids and other controlled substances by ordering as many as its supplier would send to each store;
- Actively solicited secondary suppliers of Oxy 30 when its main supplier reduced thresholds to its highest volume pharmacies in Knoxville;
- Pressured employees to increase sales of opioids and to fill suspicious opioid prescriptions, threatened pharmacy employees if sales did not improve, and retained employees at its most lucrative opioid-selling stores despite policy and regulatory violations;
- Illegally and secretly transferred numerous opioids among Food City pharmacies to ensure a steady supply and get around supplier thresholds;
- Continued selling massive quantities of opioids even after multiple instances of overdoses at its stores or in store parking lots;
- Pushed back forcefully against public and private reports that Food City had compliance issues concerning controlled substances; and
- Sold large quantities of opioids to individuals from foreign countries, including Poland, Venezuela, the UK, Australia, and Canada, and from far-away states within the U.S., including Alaska, Arizona, California, Colorado, Hawaii, Montana, North Dakota, New Mexico, New Jersey, New York, Oklahoma, Pennsylvania, Texas, Utah, Washington (state), Wisconsin, and Wyoming.

The lawsuit is part of a series of actions the State has filed against companies for opioid-related misconduct. The State has previously sued manufacturers Purdue Pharma L.P. and Endo Pharmaceuticals Inc. as well as AmerisourceBergen Drug Corporation, one of the largest distributors of opioids in Tennessee. Tennessee also continues to lead a multistate group of

Attorneys General who are investigating various manufacturers and distributors and seeking to hold them accountable and recover funds to abate the opioid epidemic to which they contributed.

In all efforts, the Attorney General's Office continues to work toward a resolution that will provide funds and other assistance to address opioid abuse prevention, treatment, and education in every community—particularly those hardest hit by this epidemic.

To read the complaint, click here:
https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2021/pr21-06-complaint.pdf

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