ATTORNEYS GENERAL OF CONNECTICUT, FLORIDA, IOWA, MASSACHUSETTS, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, TENNESSEE AND UTAH

September 18, 2017

VIA CERTIFIED MAIL

George S. Barrett
Chairman and Chief Executive Officer
Cardinal Health, Inc.
7000 Cardinal Place
Dublin, Ohio 43017

Re: Prescription opioid distribution

Dear Mr. Barrett:

The States of Connecticut, Florida, Iowa, New York, North Carolina, Rhode Island, Tennessee and Utah, and the Commonwealths of Massachusetts and Pennsylvania, are leading an investigation on behalf of a multistate group[1] into the factors contributing to the rapidly increasing number of opioid-related hospitalizations and deaths in the United States.

As part of the investigation, we are seeking information relating to the role of prescription opioid distributors. To that end, we ask that Cardinal Health, Inc., ("Cardinal") provide the following information. Unless otherwise specified, the relevant time period is from January 1, 2006, to the present. Unless irrelevant to the question, please specify all changes that have occurred during that period:

1. Identify each business entity (e.g., parent, affiliate, sister, subsidiary) that collectively comprise Cardinal and identify which business entities are engaged in the distribution of "controlled substances," as defined in 21 U.S.C. § 802(6), including opioids[2];

2. Identify all of Cardinal's business divisions involved in the distribution of controlled substances, including divisions involved in tracking the substances, marketing, reporting, and government compliance;

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[1] The multistate group consists of Alabama, Arizona, California, Colorado, Connecticut, Washington D.C., Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and Wyoming.

[2] For purposes of this letter, opioids include all naturally occurring, synthetic, or semisynthetic substances, compounds or drugs that bind to receptors in the brain involved in the control of pain and other functions, including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, opium, oxycodone and oxymorphine.

3. Identify all of Cardinal's distribution centers engaged in the distribution of opioids, and specify each center's U.S. Drug Enforcement Agency ("DEA") numbers or designation, and to which state(s) each center distributes controlled substances;

4. Identify the total number of opioids that Cardinal distributed yearly in the United States on a drug-by-drug[3] and state-by-state basis, and identify the total revenue from the distribution of those opioids by year and by drug;

5. Identify Cardinal's share of the opioid distribution market for each state in the multi-state group every year for the past ten (10) years;

6. Identify all databases Cardinal uses to track or maintain information relating to the distribution of opioids;

7. Describe Cardinal's process for distributing opioids;

8. Identify all investigations conducted by, or lawsuits filed by, any local, state, tribal, federal or international governmental entity relating to Cardinal's opioid distribution practices and any settlements or dispositive orders;

9. For each of the last twelve (12) years, provide the name and address of the twenty-five (25) retail pharmacies to whom Cardinal has distributed the most opioids in each state on a state-by-state and drug-by-drug basis, and indicate the amount of opioids sold to each party by drug and by year;

10. Identify all internal investigations and audits conducted by, or on behalf of, Cardinal relating to opioid distribution practices and identify the persons who conducted the investigations and audits, why the investigations and audits were conducted, the dates of the investigations and audits, and the results of the investigations and audits;

11. Describe Cardinal's policies and procedures relating to the training of its employees involved in the distribution of opioids, including training relating to handling of suspicious orders[4];

12. Describe Cardinal's policies and procedures relating to controls against diversion of opioids;

13. Describe Cardinal's policies and procedures relating to monitoring of sales of opioids and identification of potentially suspicious opioid orders;

14. Describe the design and operation of any suspicious order monitoring systems ("SOMS") used by Cardinal, including but not limited to the parameters assigned to identify potentially suspicious opioid orders, any algorithms used to identify potentially suspicious opioid orders, and factors used to set thresholds to identify potentially suspicious opioid orders by new customers;

[3] For purposes of this letter, "by drug" and "drug-by-drug" means to identify it by National Drug Code.

[4] For purposes of this letter, suspicious orders include but are not limited to orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency.

15. Describe Cardinal's policies and procedures relating to conducting due diligence of customers placing potentially suspicious opioid orders, including but not limited to in-person visits or requests for the customer to provide information;

16. Describe Cardinal's policies and procedures relating to suspicious opioid orders that Cardinal has identified, including policies and procedures relating to reporting of such orders to the DEA and on a state-by-state basis to any state agency for any of the states in the multistate group;

17. For each opioid order that Cardinal's SOMS has identified as potentially suspicious over the past twelve (12) years, provide the name and address of the party placing the order, the date of the order, the name and quantity of each opioid included in the order, the reason why the order was identified as suspicious, whether the order was reported to the DEA, whether the order was reported to any state agency, and whether the order was shipped;

18. For each opioid order that Cardinal has reported to the DEA or any state agency as suspicious over the past twelve (12) years not identified in the prior response, provide the name and address of the party placing the order, the date of the order, the name and quantity of each opioid included in the order, the reason why the order was identified as suspicious, to which agencies the order was reported, and whether the order was shipped;

19. Describe Cardinal's policies and procedures for compensating employees whose job responsibilities include establishing and maintaining relationships with customers;

20. Describe Cardinal's policies and procedures relating to employee quotas, sales goals, or other benchmarks of performance for the sale of opioids;

21. Describe Cardinal's policies and procedures relating to document preservation or destruction;

22. Provide a copy of all documents[5] relating to the policies and procedures described in Cardinal's responses to the previous information requests;

23. Provide a copy of all communications with customers relating to identification and reporting of suspicious orders;

24. Provide a copy of all documents that Cardinal has provided to the DEA pursuant to the requirements of the Controlled Substances Act, 21 U.S.C. § 801 *et seq*.;

25. Provide a copy of all documents that Cardinal has produced in response to any subpoena issued as part of any litigation or investigation involving the distribution of opioids;

26. Provide a copy of all documents that Cardinal has produced to any third-party monitor relating to the distribution of opioids;

27. Provide a copy of all documents that Cardinal has provided to or received from the Health Distribution Alliance relating to opioid distribution, including documents relating to distribution obligations, reporting obligations and best practices;

[5] For purposes of this letter, documents include all communications.

28. Provide a copy of all documents and reports relating to internal investigations or audits conducted by, or on behalf of, Cardinal relating to opioid distribution practices;

29. Provide a copy of all documents relating to suspicious orders made by customers in any of the states in the multistate group and Cardinal's reporting of such orders to the DEA and to any state agency over the past twelve (12) years;

30. Provide a copy of all documents relating to due diligence of customers placing potentially suspicious opioid orders, including but not limited to all notes relating to Cardinal's in-person visits, all responses to requests for the customer to provide information, all evaluations made based on the visits and obtained information, and all determinations made whether to fill opioid orders placed by the customer;

31. Provide a copy of all documents relating to Cardinal's policies and procedures relating to suspicious opioid orders that Cardinal has identified in each of the states in the multistate group, including policies and procedures relating to reporting of such orders to the DEA and any state agency;

32. Provide a copy of all documents relating to Cardinal's policies and procedures relating to monitoring of sales of opioids and identification of suspicious opioid orders;

33. Identify any promotional or marketing document relating to opioids that Cardinal has distributed at the request of a drug manufacturer. For each document, provide a copy of the document and identify the recipients of the document, their geographic locations, and the time period during which the document was distributed;

34. Provide a copy of all documents that you provided to any customer promoting the ordering of or providing information regarding the qualities or characteristic of any opioid.

Please provide your responses and documentation[6] by October 18, 2017, to Jeremy Pearlman, Assistant Attorney General, Office of the Connecticut Attorney General, 110 Sherman Street, Hartford, Connecticut 06105. If you have any questions, please contact Attorney Pearlman at (860) 808-5400 or at jeremy.pearlman@ct.gov.

Thank you for your cooperation.

[6] Please produce documents electronically pursuant to "Everlaw Protocol for Document Protection" (attached hereto as Appendix A).

Very truly yours,

George Jepsen
Connecticut Attorney General

Josh Stein
North Carolina Attorney General

Pam Bondi
Florida Attorney General

Josh Shapiro
Pennsylvania Attorney General

Tom Miller
Iowa Attorney General

Peter Kilmartin
Rhode Island Attorney General

Maura Healey
Massachusetts Attorney General

Herbert H. Slatery III
Tennessee Attorney General

Eric Schneiderman
New York Attorney General

Sean Reyes
Utah Attorney General

APPENDIX A

Everlaw Protocol for Document Production

1. Documents shall be produced according to the following formats:
   a. Electronic Production of Paper Documents.
      i. Documents that are maintained in paper format shall be scanned as black and white images at 300 x 300 d.p.i. or greater resolution, in a single-page PNG or Group 4 compressed TIFF image and reflect the full and complete information contained in the original Document. Documents shall also be produced with the associated OCR, and with a load file, in accordance with 4(c). No Producing Party shall be required to ensure that the OCR is an exact duplicate of the contents of the image; and the Receiving Party shall accept the OCR in its "as is" condition.
   b. Electronically Produced or Stored Material.
      i. All document data in electronic format must be scanned and confirmed free of computer viruses and provided with passwords necessary to access them.
      ii. Produce documents in the order in which you maintained them in your files, in copies of their original file folders, labeled with the folder's original file labels.
      iii. All attachments to responsive documents shall be produced attached to the responsive documents.
      iv. Provide a key to all abbreviations used in the documents and attach the key to the appropriate documents.
      v. No portion of any document shall be masked and the entire document shall be produced.
      vi. If a document is responsive to more than one request, it shall be clearly marked to so indicate.
      vii. Indicate the Request(s) to which each document or answer responds in a metadata field titled "RequestNo."
      viii. Documents produced electronically and electronically stored information shall be produced in accordance with the following instructions:
         1. **Image Files**: Any documents produced in response to this Request should be provided as a multi-page PDF file with embedded text and 8.5 x 11 inch page size that reflects how the source document would have appeared if printed, and which are named for the Bates number of first page of the document.
         2. **Text Files**: Document level text files containing extracted text or OCR should be provided for each document produced and named for the Bates number of first page of the document. To the extent that extracted text does not exist, the images should be run through Optical Character Recognition (OCR) so that they are fully searchable.
         3. **Load Files**: Load files shall be produced with each production of documents with extracted metadata for each document (objective coding) included in the load file. The data file shall include the fields and type of content set forth below. Objective Coding shall be labeled and produced on Production Media in accordance with the provisions set forth above.
            a. The data load file should contain all of the metadata fields (both system and application—see list below) from the original Native documents with an extension .CSV or .TXT for loading into the review platform.

b. The load file of extracted metadata should be delimited with ASCII 020 for the comma character and ASCII 254 for the quote character. All values in a multi-value field shall be separated by a semi-colon ASCII 059. The use of commas and quotes as delimiters is not acceptable.

c. The header row for the load files should contain the metadata field names which are listed below.

d. The image load file should contain an extension .OPT or .LFP.

4. **Document Unitization**: The boundaries of a document shall be based upon the smallest physical binding (*i.e.*, staple, paper clip, binder clip, etc.) associated with that document. In the event there is a series of loose pages that have no small physical bindings, the document boundary shall be based upon the largest physical binding (*i.e.*, folder, redwell, binder, etc.). The boundaries of the parent/child attachment relationship shall be based upon the largest physical binding (*i.e.*, binder clip, folder, redwell, etc.) associated with that family of documents. The document boundaries and corresponding parent/attachment relationships shall be provided in the load files furnished with each production.

5. **Bates Numbering**: Each page of a produced document shall have a legible, unique page identifier (Bates number) electronically branded onto the image at a location that does not obliterate, conceal, or interfere with any information from the source document. In order to ensure that the Bates numbers do not obscure portions of the documents, the images may be proportionally reduced to create a larger margin in which the Bates number may be branded. There shall be no other legend or stamp placed on the document image, except those sections of a document that are redacted to eliminate material protected from disclosure by the attorney-client or work product privileges shall have the legend "REDACTED" placed in the location where the redaction(s) occurred or shall otherwise note the location and/or location of the information for which such protections are claimed. If you have previously produced documents, begin the Bates number for subsequent productions with the Bates number following the Bates number of the last document page produced.

6. **File Naming Conventions**: Each PDF file shall be named with the unique Bates Number on the first page of the multi-page PDF file ending with a ".PDF" extension. Each document shall be named with a unique document identifier. Attachments shall have their own unique document identifiers.

7. **Production Media**: All documents should be produced on CD-ROM, DVD, or external hard drive with standard Windows PC compatible interface (the production media). Each piece of production media shall identify a production volume number corresponding to the production "wave" the documents on the production media are associated with (*e.g.*, "V00l," "V002"), as well as the volume of the material in that production wave (*e.g.*, "-001," "-002"). For example, if the first production wave comprises document images on three hard drives, each hard drive shall be labeled in the following manner: "V00l-001," "V00l-002," and "V00l-003." Additional information shall be identified on the physical production media including: (i) text referencing that it was produced in [Case Docket No.], (ii) the producing party's name, (iii) the production date, and (iv) the Bates number range of the documents contained on the production media.

8. **Native Format for Excel and Access Databases**: To the extent that requested documents exist in Excel or another spreadsheet program, produce the document in its native format. To the extent that the document format constitutes a database created or maintained in Access or another software program, produce the document in its native format. If the database is based upon proprietary software, produce whatever keys and instructions are necessary to review it. A single page PDF image placeholder should be provided for each document provided in native format. Each PDF placeholder shall contain the phrase "DOCUMENT PRODUCED IN NATIVE FORMAT" and contain the Bates number corresponding to the native file.

9. **PowerPoint Presentations**: Presentations should be produced in full slide image format along with speaker notes (which should follow the full images of the slides) with related searchable text, metadata, and bibliographic information. Presentations should also be produced in native format (*e.g.*, as .PPT files). The linked native file name should also match the BegDoc with the appropriate file extension.

10. **Audio and Video Data**: These specifications do not address the production of audio/video data. Care must be taken to ensure that all responsive audio and video data and their metadata are preserved. These data types may be stored in audio or video recordings, voicemail text messaging, and related/similar technologies.

11. **Production Exception Handling**: Any documents produced which cannot be converted to a PDF image due to a processing error must be reported along with the corresponding Bates number. Once an exception report for production is received, counsel for the State may request to see the native file for that exception.

ix. Hard copies of documents to be produced in response to this Request shall be produced in the following electronic format:

1. Create electronic copies of the documents and produce them in accordance with the procedures described below, provided that you retain the originals from which the electronic copies were made until the final disposition of the matter;

2. Include a load file with corresponding information, including the following data fields: BegDoc, EndDoc, Custodian, DocTitle, Filename, and Request No.;

3. The Custodian field in the load file should contain the identify the custodian or location from which the hard copy document was taken; and

4. The Request No. field should contain the number of the Request(s) to which the document is responsive.

x. For all documents produced, provide the following metadata fields:

REQUIRED METADATA FIELDS	
FIELD NAME	**FIELD DESCRIPTION**
BEGDOC	Beginning Bates number (production number)
ENDDOC	End Bates number (production number)
BEGATTACH	First Bates number of family range (*i.e.*, Bates number of the first page)
ENDATTACH	Last Bates number of family range (*i.e.*, Bates number of the last page of the last attachment)

APPENDIX A

ATTCOUNT	Number of attachments to an email
ATTACH	Populate parent records with original filenames of all attached records, separated by semi-colons
CUSTODIAN	Name of person from whose files the document is produced
AUTHOR	Author of the e-doc or attachment
RECIPIENTS	Recipients of e-doc
FROM	Sender of email
TO	Recipient of email
CC	Additional recipients of email
BCC	Blind additional recipients of email
FILESIZE	Size of the file
PGCOUNT	Number of pages in the e-doc
DATERECD	(mm/dd/yyyy) Date email was received
TIMERECD	Time email was received
DATESENT	(mm/dd/yyyy) Date sent
TIMESENT	Time sent
CRTDATE	(mm/dd/yyyy) Date created
CRTTIME	Time created
LASTMODDATE	(mm/dd/yyyy) Date last modified
LASTMODTIME	Time last modified
TITLE	Title field value extracted from the metadata of the native file
MODBY	Name of person(s) who modified e-doc
SUBJECT	The value in the subject field of and e-doc or e-attachment
FILENAME	The full name of the native file.
FILE EXT	The extension of the file
MD5HASH	MD5 Hash Value created during processing
FULLPATH	File source path for all electronically collected documents, which includes location, folder name, file name, and file source extension
RECORDTYPE	Should contain the value of email, e-doc or e-attachment
APPLICATION	Name of the application used to open the file
VOLUME	Production volume number (*e.g.*, V001, V002 etc.)
COMMENT	Values extracted from comments metadata field
ENTRYID	Unique identifier of emails in mail stores
ATTLIST	List of each attribute on a previous defined element definition within a DTD
FAMILYDATE	(mm/dd/yyyy) Date value of parent file (email or e-doc)
REQUESTNO	Multi-entry field
NATIVELINK	The full path to the produced native on the production deliverable
TEXTPATH	The full path to the produced text files on the production deliverable