



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

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June 16, 2008

BY EMAIL AND U.S. MAIL

Anthony E. DiResta, Esq.
Reed Smith LLP
1301 K Street, NW
Suite 110 - East Tower
Washington, D.C. 20005-3373

Re: CVS Caremark Corporation ("CVS")

Dear Tony:

We have received the materials responsive to Civil Investigative Demand ("CID") Document Specifications 1, 2, 3, 4, and 9 submitted with your June 11, 2008 letter (the "submission"). Recognizing that the remainder of CVS's responses to the Commission's CID are due on June 20, 2008, we are responding to several issues raised by the submission by this letter and emails sent on June 13 and 16, 2008:

(1) **Bates Numbers:** The submission identifies already-provided documents responsive to the above-listed specifications using bates numbers with a "CVS" prefix. The documents produced to us have variously used an "FTC" prefix and at least two different CVS bates stamp protocols. As a result, we cannot use the "CVS" bates numbers in the submission to identify responsive documents that have been produced. If you have already provided a document that cross-references the two "CVS" bates numbers to "FTC" bates numbers, please identify it for us; otherwise please produce a document that cross-references the three types of bates numbers.

(2) **Connectivity Between Caremark and CVS:** As noted in both emails, your letter does not adequately address the extent of connectivity between Caremark and CVS and thus does not resolve the issue. In particular, your letter provides no details and no support for Ms. Egan's statement that "there is no connectivity between the Caremark and CVS systems that could allow the sharing of personal health information between the systems." As noted in the June 16, 2008 email, without detailed information about how the Caremark prescription benefits program has been protected from unauthorized access (such as a written security assessment with supporting documents), Commission staff cannot accept your stated assumption that "the scope of the CID relates solely to

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the pharmacy, retail side of the Company” and would not recommend so modifying the CID.

(3) **ExtraCare Incident:** Your letter asserts that, absent a breach, the ExtraCare incident “does not provide a reasonable basis” for Commission staff to seek documents about CVS’s electronic security practices. As noted in the emails and previous discussions, we do not accept the argument that an actual breach is needed before an investigation may proceed. Accordingly, staff will not support modifying the CID to exclude documents and information related to CVS’s electronic security practices.

(4) **Privilege Log:** The privilege log included in the submission is substantially incomplete. Contrary to the instructions of the CID, the log does not identify the addresses, positions, and organizations of all authors and recipients of an item for which privilege has been claimed. *See* CID Instruction 2.

(5) **Objections:** Your letter asserts a number of general objections and claims of privilege. The CID provides specific instructions with respect to asserting a claim of privilege or objection.

CVS should, of course, feel free to submit any additional information it believes would be helpful to the FTC’s investigation.

Sincerely,



Alain Sheer